

Steel safety cover withdrawn in Yorkshire

The withdrawal of all safety cover on BSC plants was ordered last night by the South Yorkshire steel strike coordinating committee. It said a national policy of withdrawal was being formulated, but maintenance men were being withdrawn last night from a computer centre near Rotherham. Hadfield's of Sheffield, a Lonrho-owned plant, said it would withhold taxes due to the Government.

Move to extend action throughout Britain

From Ronald Kershaw

Rotherham
The South Yorkshire steel strike co-ordinating committee last night took the unprecedented step of ordering the withdrawal of all safety cover on British Steel Corporation's strike-bound plants.

After a three-hour meeting a committee spokesman said that the order would have immediate effect in South Yorkshire and Humberside, but plans were being formulated to extend the action throughout the country.

The implications of the move are serious in terms of cost and of the future of the steel industry in Britain.

If new coke ovens at the Scunthorpe complex are permitted to go cold it will cost £80m to £100m and take two years to rebuild them to operating standards.

The 10,000-tonne Redcar blastfurnace produces 350 tonnes of iron every 24 hours and is the sole supply of iron and steelmaking in the North-East. In South Yorkshire the hearths of electric arc furnaces will crumble without regular attention.

Mr Stanley Sheridan, press spokesman for the strike committee, said: "We have decided to put the boot in."

He admitted that the implications of the move could be "disastrous" and said: "The BSC management has been sitting back for the past six weeks and not producing one ounce of steel." Sir Keith Joseph is not going to save the BSC so we are not going to be in that position either."

Other strike committees had been contacted and a national policy of withdrawal of safety cover was being formulated.

"We have been sitting back quietly maintaining plants while 15,000 managers have been getting paid week after week. There comes a time in a strike when the gloves have to come off," he said.

The withdrawal would start

£48m boost for Welsh industries

By Hugh Noyes
Parliamentary Correspondent
Westminster

The first concrete indication of the extent of the urgent rescue operation being prepared by Government departments for those areas hardest hit by the steel redundancies came yesterday in the Commons with the announcement of a £48m aid programme spread over two years to bring new industries and jobs to Wales.

Mr Nicholas Edwards, Secretary of State for Wales, giving details of the programme aimed at cushioning the impact of the steel closures, told MPs that Sir Keith Joseph, Secretary of State for Industry, was urgently considering comparable action for the areas affected in England. It is estimated that more than 50,000 jobs will be lost in the steel industry alone, including about 11,300 in Port Talbot and Llanwern in South Wales. There have been reports that the loss in Wales, including industries

affected by the steel closures, could be as high as 80,000 jobs.

But yesterday it seemed clear that Mr Edwards has won a considerable victory in the Cabinet battle over expenditure cuts. Whatever other departments may suffer when the public spending reductions are announced next month, it is not likely to be the Welsh Office.

To loud cheers, the Secretary of State told the House that despite the overriding need to contain public expenditure, he had successfully defended the key motorway and trunk road programmes for the M4 and the A55, carrying traffic to the principality. Those would go ahead as planned.

Mr Edwards said the Government could do everything possible to encourage and assist the growth of new industries in those areas. The prime need was for the acquisition, preparation, and development of industrial sites together with a

Continued on page 2, col 8

Racial outbid by GEC for Decca

Attention in the takeover battle for Decca has switched to a possible reference to the Monopolies Commission after Sir Arnold Weinstock's General Electric Company made a formal £82.5m counter-bid for Decca against a £65m offer by Racial. The issue would be merging GEC's and Decca's defence electronics interests

Bribes case inquiry by Congress

The ethics committee of the House of Representatives has been examining for some time allegations of misconduct against some of the same members of Congress who are under scrutiny from the Federal Bureau of Investigation for their alleged involvement in a bribery scandal of Watergate proportions

Tote abuses

Misplaced enthusiasm by some employees of the totaliser caused abuses and malpractices as a result of which dividends payable to punters were falsely reduced. An independent inquiry has found. There were no breaches of the law and no employee of the tote had sought personal gain

Page 2

Terror in Argentina

Two men who escaped from detention in Argentina have prepared a report, made public in London documenting a "reign of terror" carried out by the Buenos Aires authorities. Systematic torture and murder of hundreds of political prisoners are alleged

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FIT Index closed 2.1 down at 44.5

Stock Markets: Gilt suffered losses of up to £1 ahead of today's bank lending figures while equities marked time. The

FIT Index closed 2.1 down at 44.5

Business News, pages 17-23

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HOME NEWS

Union challenged over refusal to allow its members to pay levy to Conservative Party

By Frances Gibb

The Association of Scientific, Technical and Managerial Staffs, with a membership of 450,000, was challenged in the High Court yesterday over its refusal to allow members to pay their political levy to the Conservative Party on the grounds that the union is affiliated to the Labour Party.

Mr Ernest Parkin, a senior technologist at Kodak Ltd, Harrow, and an ASTMS member, is suing the union before Mr Justice Woolf for a declaration that members of his branch are entitled to give their political levies to the Conservative Party. He is also suing for an order that the levy be handed over to the branch.

Mr Hugo Page, for Mr Parkin, said that under the union's rules any branch was entitled to retain one-third of the total of its political levy, which was paid into the political fund at the union's head office.

ASTMS officials had refused to pay over the sum, a nominal £10 in the case of the Harrow branch, because the members wished to give it to the Conservative Party to encourage the aims and policies of Conservative trade unionists.

In answer to the branch, the ASTMS officials had sent a copy of a circular dated March, 1976, and signed by Mr Clive Jenkins, the union's general secretary. It said:

"Some queries have arisen recently as to whether political fund money may be spent in support of parties other than the Labour Party. The answer is that it may not."

The union's annual conference had decided some time before to affiliate to the Labour Party and it was a condition of affiliation that an affiliate must not at the same time support any rival electoral party.

He said: "You join another body which happens to be restricted to promoting the

fund expenditure to the Labour Party, the declaration of the annual delegate conference to affiliate to the Labour Party does."

Mr Page argued that there was nothing, however, in the Labour Party constitution that made that condition of affiliation. The case raised the principle, he said, of the extent to which union branches were autonomous and entitled to make their own decisions.

He continued: "I do not say

a union branch is wholly autonomous, or that it can deal with its own funds or members as it wishes, with no regard to the union. But I would not say it can act only on the direction of the national executive and that all its acts are subject to the executive's approval."

Mr Robert Turner, for the union, said that the annual conference was the policy-making body of the union. The union's rules were the lifeless skeleton of the union's body. The NEC must have regard to the decisions of the annual conference when carrying out its duties.

If the annual conference recommended that the union affiliate to a body, and that proposal was endorsed by the executive, then the union had to incorporate all the obligations of that affiliation and become subject to the rules of that body, he said.

"You cannot have a situation where the same organization is supporting two diametrically opposed political beliefs," Mr Turner said.

Mr Justice Woolf questioned the authority of the view that in joining another body, the rules of union became subject to a more restrictive interpretation.

He said: "You join another body which happens to be restricted to promoting the

The hearing continues today.

Minister warns council over big rates rise

From Our Correspondent

Edinburgh

Mr George Younger, Secretary of State for Scotland, indicated yesterday that he would act against the Labour-controlled Lothian Regional Council if, as has been forecast, it raises rates by about half.

After talks in Edinburgh with Mr John Crichton, regional convenor, councillors and senior officials, Mr Younger said he had been "disturbed" by the council's "reported plans".

"I told the deputation that in my view, any increase of anything like this sort of figure is simply not on," he said.

Mr Younger said he hoped the region would reconsider. He had told the deputation of the powers he possessed to make some savings for ratepayers.

Mr Younger said he hoped he would not have to use them but that he would do so if big increases emerged.

Mr Crichton said later that a final decision had not been made. The final figure would not be known until next week.

Our Grimsby Correspondent writes: Ratepayers in Cleethorpes, Humberside, face an increase of 25 per cent. The rate will probably be 19.76p in the pound.

Our Nottingham Correspondent writes: Nottinghamshire County Council said yesterday that the new rate would be 9.9p up at 84p, an increase of just over 12 per cent.

Three transplants at unit with cash difficulties

Three kidney transplant operations were carried out last weekend in the kidney unit at Dulwich Hospital, London.

The unit had been told to suspend operations until April because of lack of funds, but the British Kidney Patients' Association then provided substantial cash aid.

One patient given a kidney was an emergency case and the others would not have survived until April, Mr Michael Bewick, consultant transplant surgeon for Kent, Surrey and Sussex, said. All three were doing well.

On Friday we had 16 patients waiting for transplants, 12 of whom would not have seen April 1" he added.

The kidney association is willing to provide £5,000 a transplant and the hospital is to be allowed to carry out 16 transplants before the end of the year.

Mr Bewick said that the patients waiting for operations were being treated temporarily at a cost of £1,200 a day for the 16.

"There are 1,700 people in this country waiting for a kidney, and if we keep getting people coming in at the same rate we shall be in real trouble by April.

The commissioners appointed by the Government to run Lambeth, Southwark and Lewisham Area Health Authority had told the Dulwich unit at Christmas to suspend transplants because it had spent twice its £200,000 budget.

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Poison check: Firemen in protective gear yesterday examining a canister marked with skull and crossbones after it was washed ashore on the Isle of Wight. Twenty canisters of arsenic trichloride, which gives off poison fumes if exposed, have been washed up from the Greek cargo ship Aeolian Sky, which sank in the Channel off Portland in November. Leaders of the tourist

trade in the island are worried that chemicals from the ship will be floating ashore at the start of the holiday season. Mr Ewen Brenchley, tourist director, called for salvaging to start.

There are cases where, if meaning is read wrongly, it means it is not only different but also insulting.

Taken "Qatibadeed", the name of Iran's Foreign Minister, which is pronounced with "dib" in the middle. The word decided that a newsread would be more comfortable saying "god-bradeed" but then discovered that the hyphen come after the "b", otherwise it means something else.

Mr Poitoum diplomatically refrains from naming his favourite broadcaster; he thinks stars are extremely high and unfair to apply the word yardstick to the Jimmy You Show as you would say, say, Radio 3 news bulletin.

"The announcers are under terrible pressure sometimes we can get a query on the air only two minutes before a bêtard goes out."

The way the use of language shifts and evolves is under a stern scrutiny by the unit. We increased travel, people became more aware of foreign place names. The unit telephone many travel agents to find out how they pronounce the names of some resorts. It also a great store by what the species in the BBC's World Service have to say.

Mr John Wells, MP for Maidstone, said yesterday that at Frizenden, five miles from Cranbrook, will have four of his five children at secondary schools at Cranbrook next September. That could mean £14 a week or £532 a year for transport, plus another £10 a week for school meals (Kent plans to put up the cost of a school meal to 50p in September), all to come out of a weekly take-home pay of £28.

Mrs Edith Collins, who lives at Frizenden, five miles from Cranbrook, will have four of her five children at secondary schools at Cranbrook next September. That could mean £14 a week or £532 a year for transport, plus another £10 a week for school meals (Kent plans to put up the cost of a school meal to 50p in September), all to come out of a weekly take-home pay of £28.

"Some schools, like St Anselm's comprehensive school in Canterbury could be facing slow and lingering death."

Kent's four Conservative MPs, concerned about the anger created by the proposals, met in the House of Commons on Thursday to discuss the proposals with Conservative leaders of the county council.

At present transport is free for children who live further from school than the statutory limit of two miles for those under eight, and three miles for those aged eight and over.

The Government's Education Bill, which last night completed its committee stage, would give local authorities the power to charge what they wish for school transport except that children in families in receipt of Supplementary Benefit or Family Income Supplement would be allowed to travel free.

Professor Edward Wragg, head of department of education at Exeter University, called yesterday for the abolition of the scheme. Studies had shown that those untrained teachers were the most likely to drop out of the profession, and the least likely to make competent teachers, he said.

The Collins have mortgage payments of nearly £20 a week and the food bill usually comes to another £50.

"I am normally a Tory voter," Mrs Collins said yesterday, "but I do not think I shall vote for them again. You do not know who you can trust any more. It really makes you feel a bit desperate."

"We very much want to do the best for our children, one is musically gifted, but what can we do?"

Father Hine, the Roman Catholic Church's representative on the Kent education committee, said that the proposed charges would have a devastating effect on the Kentish Catholic secondary schools, some of which had

parents living four miles from the school, for example, for a grant of £23.10 for a secondary school pupil and £10.30 for a primary school pupil.

There have been some difficulties, though. A piece of music was written and broadcast, dedicated to Thea Fossen, the clarinetist. Its name is Houkani.

As the unit gets all Radio 3 scripts to pore over they queried the name. Was it by any chance, a Samsword? It was the name of King's cat. When it first walked through her door someone there said "Who be he?" and most of it st

and Humberside, 27 schools, 517 places; West Midlands, schools, 1,177 places; South West, 57 schools, 1,134 places.

The Government sent letters to more than 1,000 independent schools on December 6 asking them to indicate whether they intended to participate in the scheme, and to say how many places they would offer a year. The schools were asked to reply by January 31, although Mr Boyson expects that no will come in.

As originally proposed, the Government's scheme would have started in September 1981, with 60,000 to 150,000 pupils. However, the Government has decided to have a 26m which was to have been made available in the first year and to offer places to some 6,000 pupils.

Mr Boyson said it was too early to say how many of the schools which have offered places would meet the Government's requirements. It could also be expected that some of those offering places in the first year will drop out when they learn the details of the scheme.

Hats off to the Army's experiment to find if high life peaks the brain

By Ronald Fausz
A climber was ordered by a fiddling landlord recently to remove his hat in the lounge of a highland hotel because hats were not allowed to be worn in his lounge. The man did so, uncovering a head bristling with electrodes.

"My dear chap," the landlord said, "I'm most terribly sorry. Put your hat back, sit down and have a drink."

The next day a second climber entered. Like him, he was similarly covered with a tangle of wires and terminals. Several wiry fronds were wound over his ears and tucked down the front of his shirt.

"Stand easy," the climber said to the startled landlord. "we're British Army brain researchers."

"People who saw the wires looked a lot more uncomfortable than we were," he said.

The main aim of the expedition is to train a strong nucleus of Army climbers for an ambitious programme of expeditions by the AMA in the 1980s.

The team flies out to Kathmandu financially secure thanks to the mountain they chose to climb. Analytical Products Inc (API) of Long Island, United States, makers of systems used to identify bacteria, has promised to give £6,000 towards the expedition's costs so that its products might appear on API.

AMA's successful Everest climb was sponsored by the double-glazing company of that name.

Rumours that a corporal in Aldershot is comparing a directory of companies and a mountain gazetteer of the world, picking suitably spurious peaks, are flatly denied.

The team who listen for silent letters

By Kenneth Gosling

It is absolutely official that the way to pronounce the Irish Prime Minister's name "Hawthorn" the BBC has learned from painful experience.

Earlier they had decided there were two ways to say it and settled for "Hochi" the "ch" being soft as "loch". Complaints arrived and the BBC's Pronunciation Unit wrote to his office. When was it, they asked, and the answer was "neither".

That kind of situation fairly commonplace for the unit, which has two small offices at a staff of four (at present three) in Broadcasting House, including Mr Graham Pointon, the pronunciation adviser, who became its head last year. It is the first professional linguist to run the unit for more than 50 years.

The corporation is extremely conscious of its duty to maintain a high standard of English which is why it is incumbent on announcers and newscasters to abide by the unit's rulings, could prove embarrassing they do not. Kabut is a recent example of a place name who pronunciation, stirred considerable feeling a few listeners to call to the unit.

There are cases where, if meaning is read wrongly, it means it is not only different but also insulting.

Taken "Qatibadeed", the name of Iran's Foreign Minister, which is pronounced with "dib" in the middle. The unit decided that a newsreader would be more comfortable saying "god-bradeed" but then discovered that the hyphen comes after the "b", otherwise it means something else.

Mr Pointon diplomatically refrains from naming his favourite broadcaster; he thinks stars are extremely high and unfair to apply the word yardstick to the Jimmy You Show as you would say, say, Radio 3 news bulletin.

The unit always tries to establish with an individual (like the Polish footballer played for Wales) how he is pronounced. That one was announced "Krizwicki". His name is harder; Mr Pointon says, 3,000 million of them in the world, any of which an airman could fit.

The present proposals would save an estimated £2m a year.

It is also proposed that parents taking their children to school by car should receive a substantial allowance, the amount depending on the distance travelled, the length of the term and the age of the child.

Parents living four miles from the school, for example, would be eligible next term for a grant of £23.10 for a secondary school pupil and £10.30 for a primary school pupil.

There have been some difficulties, though. A piece of music was written and broadcast, dedicated to Thea Fossen, the clarinetist. Its name is Houkani.

As the unit gets all Radio 3 scripts to pore over they queried the name. Was it by any chance, a Samsword? It was the name of King's cat. When it first walked through her door someone there said "Who be he?" and most of it st

and Humberside, 27 schools, 517 places; West Midlands, schools, 1,177 places; South West, 57 schools, 1,134 places.

The Government sent letters to more than 1,000 independent schools on December 6 asking them to indicate whether they intended to participate in the scheme, and to say how many places they would offer a year. The schools were asked to reply by January 31, although Mr Boyson expects that no will come in.

HOME NEWS

**Home Office
'ignored
report on
attacker'**

A man described as a public menace, with a history of sexual attacks against young girls, struck again after being released on licence from a life prison sentence, it was stated at Mold Crown Court, Clwyd.

Judge Meurig Evans called for an investigation into why the Home Office ignored a probation officer's report that John Victor Subrenski should be returned to jail for months before he abducted two young girls.

Judge Evans said he echoed the probation officer's thoughts that Mr Subrenski, aged 64, father of five children, should not be released "as long as his health and strength lasts".

The court was told that the two girls, aged seven and eight, saved from possible permanent harm by a young couple who followed Mr Subrenski's car and informed the police.

Mr Subrenski, unemployed, of Douglas Grove, Darwen, Lancashire, was jailed for four years after admitting two charges of abduction. The prosecution accepted his plea of not guilty to two more charges, which were alternatives, of child stealing.

Mr Subrenski, who was born in New York, asked for a further offence of common assault on a girl of 10 at Shrewsbury on January 16 last year to be considered.

Mr David Hale, for the prosecution, said: "The defendant has a serious and long history of offences against young girls. He was sentenced to life imprisonment in 1957 for an offence of carnal knowledge on a girl of nine. He was released on licence from the life sentence in April, 1977."

"Both these offences being heard today took place on September 4 last year. On September 7, in consequence, the Home Office revoked his licence and the defendant is now in prison again serving a life sentence."

Mr Elgan Edwards, for the defence, said that recommendations by Mr Ellis Chapman, a Lancashire County Council probation officer, that the accused should be returned to prison had been ignored. He added: "The Home Office must bear a very substantial responsibility for allowing this man the opportunity to commit offences of this nature."

Mr and Mrs Richard Stevens, of Prince Edward Avenue, Rhyd, who followed Mr Subrenski after he had got one girl into his car, were praised by Judge Evans and awarded £50 each out of public funds.

A Staff Reporter writes: Neither the Home Office nor a Parole Board panel had considered Mr Subrenski's recall justified, but his licence was revoked as soon as his conduct gave real cause for concern, the Home Office said last night.

**Wide variation in price
of wine in restaurants**

By Robin Young
Consumer Affairs
Correspondent

The price of a wine can be three times as high in one restaurant as in another; and list prices can vary by as much as £170 for a single bottle.

Those are my findings from a price comparison of 25 restaurant wine lists. Full details are printed in the February issue of *Decanter*, the bibulous bargain-hunter's bible.

The survey discloses more than 40 instances in which a restaurant was charging more than double the price at which the same wine was available in another. For example, a bottle of Château Latour 1967 would be £19 at the Café Royal, but £49.20 at the Selfridge hotel. Château Mouton-Rothschild of the same vintage would be £56.28 at the Café Royal, and only £17.95 at Le Gavroche, Chelsea.

A bottle of Château Légerot 1967 available in the Tate Gallery restaurant at £16.67 would fetch those who take their meals at the Tower Hotel £49.62, and Château Margaux 1965 is only £22 at Keats restaurant, in Hampstead, but £66.30 at Le Gavroche, Chelsea.

Price variations in the provinces are no less marked than in the capital. Château Latour 1962 is £58.50 at Pool Court, Pool-in-Wharfedale, West Yorkshire, but only £20 at Housman house, Uphall, Letham; 1957 Latour is £46.58 at the Elizabeth, Oxford, and £21.88 in the Malmaison restaurant of the Central Hotel, Glasgow.

Even between country inns the difference can be great.

**£4.75m by-pass
diverts listed
town's traffic**

Ludlow, listed as one of the best 50 towns in Britain for architectural merit, was yesterday freed from the ravages of twentieth-century traffic with the opening of a £4.75m bypass.

Conservationists had urged the building of the road to relieve the bottleneck of the A49 trunk route through the Shropshire town's ancient centre. Lorries have damaged Tudor and Georgian buildings.

The road was opened by Mr Kenneth Clarke, Parliamentary Under-Secretary of State for Transport, seven months behind schedule. The project was delayed by government restrictions on public sector building in 1975 and then by Britain's worst winter for 16 years.

For the first time in 600 years, the picturesque Ludford bridge, over the river Teme, will not be required to carry through traffic.

Whitehall brief: Sir Leo Pliatzky, trenchant 'rhino' of the Treasury**Counter-puncher quits the subfusc ring**

By Peter Hennessy

When Sir Leo Pliatzky left the Treasury in 1977 to become Permanent Secretary at the Department of Trade, his successor, Sir Lawrence Airey, bought a post of ministerial rank as a farewell card. All the top economic policy makers signed it, from Mr Denis Healey down. At the bottom, in bold type, there was an inscription that read: "I may have my faults, but being wrong is not one of them."

It now hangs in his Thame-side flat in Southwark, to which he repaired last week on his retirement from the Civil Service. By the subfusc standards of Whitehall, Sir Leo is unforgettable.

A private chat with him was quite free of the circumlocutions and double negatives that normally blight senior Civil Service conversation. The usual adjectives like "direct" or "salty" are too soft to describe Sir Leo in full cry. As Sir Lawrence's rhino shows, most people loved him for it.

Sir Leo was one of the recent vintages of permanent secretaries who entered Whitehall in the post-war "reconstruction commissions" after a period in the Forces. They were, by today's jaundiced standards, an idealistic generation. Sir Leo recalls:

We did believe in public service, which does not necessarily mean a lot of nationalization and controls. We were conscious that our country had done a great thing in the war. We believed in doing great things in the peace. There is a certain sense of disappointment and frustration, looking back. As a country we have declined relatively in power and strength. Nevertheless, the face of the government had fallen under

and socially, certainly for the better in most respects.

Great things for Sir Leo had to wait for a few years. In 1948, his second year as a civil servant, he learned a sharp lesson in political reality.

As head of branch in the animal feedstuffs division of the Ministry of Food, it fell to Sir Leo to supervise the de-control of "national" pigeon food.

Outraged pigeon fanciers, mainly from the north, where he had grown up, swamped Sir Leo's branch with 50,000 letters of protest.

In 1950 Sir Leo joined the Treasury and began to develop his distinctive style, which he describes as "counter-punching", reacting to the ideas and drafts of others. His worst year as an official was 1976, when sterling collapsed. At the end of 1975 he had been promoted to the second permanent secretaryship in charge of public spending, which was out of control. It took a great deal of "counter-punching" for Sir Leo to set it right.

Treasury ministers and Sir Leo had stopped the rot. At the time, the International Monetary Fund arrived in London in autumn. He is cautiously revealing about that annus horribilis.

foreign pressure. It would have been terrible for the country to undergo a repetition of 1931.

As a former permanent secretary at the Department of Trade, he is equally candid

about the "New Cambridge" approach at the International Monetary Fund.

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and socially, certainly for the better in most respects.

It is common knowledge that the Labour Cabinet was deeply divided. It was quite vital that we should get a set of measures that would enable us to get the IMF loan, this was to bring other and bigger credits.

The argument should not be about whether you maintain trade with agreed international rules which do allow for a degree of protection. Import penetration is not the cause

of our industrial weakness. It is a symptom. Import controls, to a greater or lesser degree, may be an important part of the solution to our weakness, but they are not a cure.

If Wynne Godley thinks he has found a formula for getting away with total protection inside the International rules, he has deceived himself and I hope he does not deceive too many other people.

Sir Leo in retirement will take one public sector job, neither of which he can yet divulge, and a visiting professorship at the City University, where he will write a book on public expenditure.

The gluey slime infested the shoreline, killing at least 4,000 birds, including great northern divers, Hooper swans, black guillemots and shags. More than 20 others, who lived in the protection of the buffer bubble beside the jetties, choked to death. The clean-up cost £350,000 and was followed by the appearance of other oil slicks on Shetland's shores, probably from vessels cleaning out their tanks on the assumption that the tanker had run aground.

The operations are scanned and video-recorded by radar and, since the Esso Beringia, no serious spillage has occurred, although there have been

incidents, and at least one near miss.

The Greek-operated tanker Scenic put Mr Grubb on full alert recently. After the 60,000-tonne vessel arrived at the terminal, crew members were

seen smoking on deck and terminals staff confiscated matches and lighters. Mr Grubb said.

Shetland only 200 gallons of oil spilled into the sea and the master was fined £3,500 at Lerwick sheriff's court for causing the spill. Then the tanker was overloaded by 3,000 tonnes and could not leave. After that was corrected, a check on safety equipment by trade inspectors disclosed serious shortcomings.

Misbehaviour by oil tankers is the concern of Mr Alastair Grubb, the platinum armoured armoured officer for Shetland. The islands are a convenient point to bring ashore pipelines from the oilfields lying to the east, but a less suitable place to manoeuvre large oil tankers, each loaded with a potential disaster.

Storm-force winds blow more regularly around Shetland and the seas are notorious for their anger, strong tides and dangerous overfalls. With a peak flow of 1,000 tankers and some 60 million tonnes of oil moving every year from the terminal at Sullom Voe, the possibility of an environmental disaster may seem a question of when, rather than whether.

Fears were confirmed with almost the first ship to moor at the jetty, "First oil ashore in Shetland", a *Shetland Times* headline said in irony rather than pride. The Esso Beringia punctured a fuel tank as she moved against the jetty and 1,000 tonnes of heavy fuel oil leaked into Sullom Voe.

Everyone knew in theory the damage such a spill could inflict, but the reality was more terrible.

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Storm-force winds

HOME NEWS



Photograph by Harry Kerr
Professor Burns in London yesterday: "I am worried about old anti-Kennedy stereotypes emerging in Britain."

Kennedy campaigner aims to correct Britain's 'negative' view of senator

By Ian Bradley

A senior American political scientist, who has written biographies of several members of the Kennedy family, came to London yesterday to counteract what he describes as the negative attitude to Senator Edward Kennedy in Britain and to lend his weight to the Kennedy for President campaign in this country.

Professor James MacGregor Burns, Professor of Political Science at Williams College, Massachusetts, was on his way to a European management conference in Switzerland.

He said he had decided to break his journey for a day in London "because I am very worried that the old anti-Kennedy stereotypes are emerging once again in the British media".

The British attitude, to Edward Kennedy, he said, was very similar to the attitude to John F. Kennedy in 1955. "There is still what seems to me to be a misunderstanding based on British memories of Joseph Kennedy when he was ambassador here, and when he seemed to be complacent in the face of Nazi aggression, if not defeatist."

During his stay in London Professor Burns gave an interview to the BBC and spoke to journalists gathered in the Pall Mall office of Mr Thomas Conlon, the American lawyer who is running the Kennedy for President campaign, aimed at the 100,000 Americans resident in the United Kingdom.

Mr Conlon, who was in jubilant mood, having just received 150 Kennedy badges from campaign headquarters in the United States, introduced Professor Burns as "just back from the front lines", having campaigned for Senator Edward

Kennedy in California, Vermont and Iowa.

In fact, it emerged that Professor Burns had not been part of the official Kennedy bandwagon, but had used his own money to take some of his students on a tour of colleges, "saying what I wished".

Professor Burns, whose biography of Edward Kennedy is subtitled "The Camelot Legacy", said he regarded the Kennedy family as symbolizing both sides of the Arthurian legend: "the drama, the violence and the deceit; and the courage, the nobility and the honour".

He admitted that the Kennedy family's Irish roots made them slightly suspect in English eyes.

But it was with a Welsh politician that he compared them. "Given time and maturity", he said with the caution of a man who did his training at the London School of Economics in the late 1940s, "I think that any of those three Kennedy brothers might have developed in terms of vitality and drama into a Lloyd George".

Professor Burns's main message to the American voters in Britain, and to the sceptical British, is that "Edward Kennedy is essentially not a glamorous figure; he is a very serious and committed public man in the strong liberal democratic tradition of Truman and Roosevelt".

He admits, however, that his hero has a less than fifty-fifty chance of gaining the Democratic presidential nomination. If it were only a matter of gaining the votes of Americans on this side of the Atlantic he might well be more confident. The Carter Campaign has not even got off the ground yet in Britain.

£35,000 jewel stolen from exhibition stand

The police are investigating a series of thefts at the International Spring Fair at the National Exhibition Centre, near Birmingham, including the disappearance of a diamond valued at £35,000.

The brilliant-cut, 3.4-carat gem was taken from a display cabinet on one of the stands. It is thought that a stand assistant's attention was distracted by one man while another took the diamond.

The men are described as smart looking and aged between 30 and 45. A 3 cwt box containing silver candlesticks and gold-plated trays, valued at £2,000, and cigarette lighters and powder compacts valued at £1,000 were also stolen last weekend.

Energy conservation cuts 'may put old at risk'

From Our Correspondent Glasgow

An urgent appeal is being made to the Government to set up insulation advice centres because of the fear of many more deaths among the infirm and the elderly who are having to cut back on dearer heating.

Scottish representatives of Shelter, Age Concern, the Consumer Council, Fuel Poverty Action, the Conservation Society, and Friends of the Earth pointed out yesterday in Glasgow that most homes were so poorly insulated that 70 per cent of the heat used was lost.

They said that resources given to energy conservation should not be cut back and that there were between 3,000 and 5,000 deaths a year in Scotland linked to hypothermia.

A letter signed by Mrs Margo MacDonald, former vice-chairman of the Scottish National Party, who is now director of Shelter in Scotland, is being sent to Mr David Howell, Secretary of State for Energy, with a copy to all of Scotland's 71 MPs. It expresses deep concern at reports that the Government is considering further cutbacks in energy conservation. It points out that more advice to people on insulation was essential, especially to poorer people, who spent about twice as much on fuel as the population as a whole.

Without that "many people will have to consume more

Murder inquiry after fire at bungalow

From Our Correspondent Grimsby

Humberside police mounted a murder inquiry yesterday after Colette Taiby, aged 12, died in hospital at Grimsby after fire at her home in Valda Vale, Birmingham.

The site of her home, a bungalow, was described by neighbours as "just a hole in the ground" after it burst into flames as police and firemen brought out Mr Brian Taiby, aged 39, curator of Birmingham museum, his wife Christine, and two other children, Matthew, nine, and Edward, aged five.

Mr and Mrs Taiby were detained in hospital yesterday after undergoing emergency operations. Detectives were by their bedside.

heat than they can afford, or cut back in energy use and possibly fail to maintain minimum standards of heating".

The human cost of fuel poverty had to be taken into account in planning energy conservation.

The signatories also include Mr Robin Webster, director of Age Concern, Scotland, Mr Peter Gibson, director of the Scottish Consumer Council, Mr Alastair Grimes, secretary of the Fuel Poverty Action Group, Mr Iain Macdonald, director of the Religion and Technology Project of the Church of Scotland, Mr Roger Downie, chairman of the Scotland, West, branch of the Conservation Society, and Mr Adrian Watt, coordinator of the Friends of the Earth in Scotland.

They ask the Government to think again on the serious implications for poorer people of any reduction in the commitment to conservation.

Mrs MacDonald said that many people were likely to continue to hear their homes on their present level of consumption only to find that they were unable to pay their bills.

Mr Grimes said "that although poorer people were spending more than a fifth of their incomes on fuel, that spending was likely to be more than doubled by the year 2000 if nothing was done to increase conservation".

WEST EUROPE

Closed frontier gates cast their shadow over Gibraltar election

From Our Correspondent Gibraltar, Feb 4

The people of Gibraltar go to the polls on Wednesday to elect 15 members to the House of Assembly from the 27 candidates.

Sir Joshua Hassan, the outgoing Chief Minister, will be repeating his successful election formula by asking voters to return him and seven other members of his Association for the Advancement of Civil Rights/Gibraltar Labour Party (AACR/GLP) in bloc.

During Sir Joshua's last term of office two members of the opposition joined his party. Mr Brian Perez, a lawyer, and Dr Reginald Valerio have proved very useful additions to the AACR/GLP strength and allowed Mr Abraham Serfaty and Mr Aurelio Montenegro to retire.

Although the Gibraltar Government's responsibilities for the Rock's 20,000 inhabitants are restricted to internal affairs, the past three elections have been fought around the problem of relations with Spain. For 12 years the frontier gates have been closed as the Government of General Franco tried to gain sovereignty over the Rock. Spain's return to democracy has brought little change of heart.

Trade links between Spain and Gibraltar have been restored and a blind eye turned to resumed trading. A few prominent citizens with strong Spanish connexions are allowed to sail their yachts into Algeciras. 20 minutes across the bay. But for the large majority of Gibraltarians access to Spain is still by ferry trip via Tangier, which means from seven to 12 hours of travelling and a minimum expense of £60 per person return. A charter flight to London is cheap and takes little over two hours.

The Basque approach to the Spanish problem is built around regular reminders to the British Government of Britain's guarantee that she would not hand over the people of Gibraltar to a foreign power against their freely and democratically expressed wishes. Yet he has shown willing and without prejudice attended Anglo-Spanish meetings at Foreign Minister level to seek a break in the impasse.

Spain is moving towards Europe in terms of the council

French point to merits of their own bomb

From Our Own Correspondent Paris, Feb 4

No aggressor could underestimate the French nuclear deterrent, M. Yvon Bourges, the Defence Minister, said today during a visit to the new staff college of the land forces.

Within the next decade it would undergo significant development with the coming into service every 18 months, between 1985 and 1990, of a new nuclear submarine, equipped with 16 launchers for the new M4 missile.

"In an uncertain world divided by the clash of interests and ideologies, it is not the least merit of the Fifth Republic to have endowed the country with a national defence and the means of implementing it," he said. "Can anyone imagine what in present circumstances would be the position of France without this effort?"

M. Bourges said France could defend its interests and keep its commitments towards its allies as well as "reaching a common stand with those who share its views".

As for conventional armaments, he emphasized that it would have been all the more serious not to have made a great effort for the conventional equipping of the army "as the rises in the world—none of which leaves us indifferent—do not by definition involve the nuclear deterrent".

General Vanbreemsch, commander of the First French Army, said in an interview with L'Aurore today that the French Government would decide to use nuclear weapons if France were directly threatened and if the forces of the Atlantic Alliance did not use nuclear weapons in the event of a breach of their front.

The men are described as smart looking and aged between 30 and 45. A 3 cwt box containing silver candlesticks and gold-plated trays, valued at £2,000, and cigarette lighters and powder compacts valued at £1,000 were also stolen last weekend.

The signature also include Mr Robin Webster, director of Age Concern, Scotland, Mr Peter Gibson, director of the Scottish Consumer Council, Mr Alastair Grimes, secretary of the Fuel Poverty Action Group, Mr Iain Macdonald, director of the Religion and Technology Project of the Church of Scotland, Mr Roger Downie, chairman of the Scotland, West, branch of the Conservation Society, and Mr Adrian Watt, coordinator of the Friends of the Earth in Scotland.

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From 1960 to 1962, he was adviser to the Lebanese Govern-

Revolution not reform is Marchais theme now

From Ian Murray Paris, Feb 4

The French Communist Party is hell bent on revolution. Any idea that it might still be prepared to reshape its alliance with the Socialists must have died at the Young Communist rally over the weekend at Vitry-sur-Seine.

A nucleus of opinion on the Rock, small but vociferous, points to the disadvantages of such an open frontier. The neighbouring provinces of Cadiz and Malaga have the highest unemployment figures in Spain. Gibraltarians enjoy parity of wages with Britain and full employment. There are fears that the high standards of living enjoyed on the Rock could be lost if the frontier is opened.

The three candidates of the party for the Autonomy of Gibraltar are standing on a ticket which calls for a negotiated settlement with Spain. Leading the team is Mr José Emanuel Trizay, a lawyer, who was heavily criticized when he suggested a settlement during the early days of the Franco campaign against the Rock. He contends that Gibraltar's colonial status must come to an end and sees a natural relationship developing with Spain. Incorporating the idea of autonomy into the party's title recognizes the parallel process of regional administrations being developed in Spain, Andalucia holds its referendum on autonomy in February 1981.

One other party, the Democratic Party for Britain (DPBC), has put forward eight candidates. Their leader, Mr Peter Isola, has a long history of sitting on the Opposition benches.

Mr Joseph Bossano, a trade unionist and economist, has kept the Government on its toes over the past four years. His Gibraltar Socialist Party has five other candidates standing. None of the others, mostly unionists, has previous experience in politics.

Mr Eric Elliot, an independent, has previously shown an inclination towards a settlement with Spain. Finally there is the independent Nationalist candidate, Dr Cecil Isola. He is against an electoral system that favours party politics and preaches the evils of a National Health Service. In the previous elections, he narrowly missed being returned.

No matter how much the local affairs intrude into the campaign the Spanish frontier gates will dominate the thoughts of Gibraltarians. The Basque approach to the Spanish problem is built around regular reminders to the British Government of Britain's guarantee that she would not hand over the people of Gibraltar to a foreign power against their freely and democratically expressed wishes. Yet he has shown willing and without prejudice attended Anglo-Spanish meetings at Foreign Minister level to seek a break in the impasse.

Spain is moving towards Europe in terms of the council

OVERSEAS

Charter 77 assesses future role after three years' persecution

By Our Foreign Staff

Charter 77, the Czechoslovak human rights movement, reassesses its rôle and political aspirations in a statement just issued. It says it enters its fourth year internally more unified and with a clearer understanding of its achievements and shortcomings.

The following is a shortened version of the statement made available by the Palach Press Agency:

Charter 77 lives on and is active despite various errors and, more particularly, despite the constant and recently escalated attempts by the state authorities to destroy it. Yes, yes, yes. We are the Reds.

M. Georges Marchais, the party leader, told the closing session last night that this was the age of revolutions and declared: "We want to make the revolution." The 1,300 personnel delegates chanted "Yes, yes, yes. We are the Reds."

There was a clear difference in M. Marchais' mind between the position of Communists inside and outside the country.

Outside France he said, they

were part of an international revolutionary movement that was standing up to capitalist imperialism.

Inside France,

they were alone and isolated

from employers and social

decentralization.

This was the fundamental

reason for the publication of

Charter 77 three years ago.

At that time we understood that the defence of human and civic rights was an important prerequisite for an existence free from oppressive manipulation and alienation. It is also an essential condition of non-conformist social and cultural activity which to a large extent determines the preservation not only of the human and civic identity of the individual but also of national identity in the spirit of European cultural traditions.

We believe that the most effective way to combat the effects of the obnoxious authorities is to grow our efforts of the obtuse

authorities to repress Charter 77, slander it and disrupt it from within.

Many of our friends were unjustly imprisoned or driven out of their country, or subjected to other forms of persecution and discrimination.

The authorities, which in this illegal manner

exercise their claim to absolute domination and ruthlessly

repress, even the most modest

attempts at independent

human and civil existence,

make our efforts to conduct an effective dialogue with the state institution illusory.

Nevertheless, we insist on

our right and our duty to defend our own human and civic rights and those of all citizens of our Republic.

Charter 77 is not concerned directly with politics. Individuals or groups supporting Charter 77 who combine their civic activities with political objectives go beyond the aims of Charter 77 which then acts only as a catalyst, even though it considers it its duty to defend also those citizens who are seeking political solutions

to join the group of spokesmen.

We believe that this will benefit our work, as well as strengthen the elements of co-operation and democracy.

Signed, February 1, 1980, by

Charter 77 spokesmen: Rudolf Battek, Jiri Bednar, Zdena Freudentova, Jiri Hajek, Ladislav Hejda, Marie Hromadkova, Vendula Komeda, Ladislav Lis, Milos Rejchart, Jan Ruml, Zdena Tomonova.

Leading article, page 12.

within the law for the present situation of Czechoslovak society.

Charter 77 is based on the legal system of the Czechoslovak Socialist Republic as a sovereign state. It has no intention of changing the existing social system. On the contrary, it wants to consolidate Czechoslovak statehood by pressing for the observance of laws guaranteed to its citizens by the constitution of the republic and supplemented by international pacts on human and political rights.

The gruesome experiences of mankind in the twentieth century make it our duty to emphasize the fundamental right of man to life. One of the paramount objectives of the struggle against fascism during the Second World War was to free man of stress and fear. This demand is as urgent today as it was then.

Charter 77 intends to continue to stand up for the right of every human being to a free life in accordance with his or her conscience and human

traditions are involved in this;

in defending human and civil rights, we are not deliberately seeking a conflict with the political authorities. Our conviction that the future will vindicate our faith in the justice of our cause gives us hope and the strength to continue at all costs.

Charter 77 enters its

OVERSEAS.

Congress inquiry into members named by FBI in bribery scandal

From David Cross

Washington, Feb 4

The ethics committee of the House of Representatives announced today that it had been examining for some time allegations of misconduct against some of the same members of Congress accused of being involved in a bribery scandal of Watergate proportions.

Mr Charles Bennett, the chairman, said his committee would now broaden its inquiries to include those members of the lower house named by the Federal Bureau of Investigation (FBI) in its latest undercover operation.

After an investigation lasting nearly two years, the FBI is reported to have recorded on film and tape a series of transactions in which hundreds of thousands of dollars were paid to senior public officials by FBI agents posing as Arab business. The money was alleged to have been handed over in return for promises of various legislative favours.

Eight members of Congress, including a Democratic senator from New Jersey, and some 20 state and local officials have been named in newspaper accounts of the operation, which was code-named Abscam—an abbreviation for Arab scam. (A scam is a confidence trick of the type depicted in the film *The Sting*.) The officials named in the press accounts have refused comment on the allegations or denied any wrongdoing.

The Department of Justice said today that it would have no comment at all about specific investigations of political corruption and delayed disclosure about the FBI operation because they might "injure the reputation of innocent people".

Government promises no coercion of athletes

By Nicholas Timmins

The Justice Department is quoted as saying that the operation came to light in the news media before the FBI investigation was completed. When several news organizations, including *The New York Times*, were known to be about to reveal details of Abscam, FBI agents scurried around trying to make last-minute inquiries before the operation's cover was blown.

A Justice Department spokesman said today that the department would initiate "an intensive investigation" to see what deliberate disclosures by federal employees had brought the operation to a premature conclusion.

As might be expected, the newspapers and television networks have been pouring out details of the FBI operation for the benefit of their readers and viewers. The various accounts disclose that FBI agents posing as representatives of wealthy Arab sheikhs and in some instances as the sheikhs themselves, met the officials or their representatives last year in a number of places along the east coast. The agents handed over up to \$700,000 in \$50,000 instalments in return for promises of help for the sheikhs' financial enterprises.

Among the assistance requested from the officials was help in obtaining a casino gambling licence as well as congressional support to obtain entry and residence permits in the United States.

According to newspaper accounts, the investigation had its lighter moments. One congressman, it is reported, can be seen on videotape stuffing cash into his trouser and jacket pockets and another struggling with an associate over a briefcase containing \$50,000.

Mrs Thatcher and Mr Malcolm Fraser, the Australian Prime Minister, at Downing Street

decide what sort of advice should be given to British sportsmen and women.

The CCPR reiterated its view that it would be impossible to relocate the games now. It also pointed out that it was not just the 26 Olympic sports among its 214 members that had contacts with the Soviet Union.

He also told her that he does not think the games could be divided among several venues "unless the International Olympic Committee (IOC) finds just cause to move the games from Moscow".

The issue will be put before a special meeting of the national committee on March 4. By then the IOC is likely to have decided its position.

Mr Glen Haig, chairman of the CCPR said after yesterday's meeting: "She tol us she is not going to stop anybody going to the games forcibly. In no way will she use oppressive measures such as withdrawal of passports."

"She is taking the matter through the normal constitutional way through the British Olympic Association". When the response to that question was known, "she would ...".

Mr Fraser said that the Russians had stated in their writings that politics was very much a part of sport. They had claimed that holding the games in Moscow would signify approval of their foreign policy.

Mr Fraser, who met Mrs Thatcher at Downing Street for talks on Afghanistan and the Olympics, emphasized that Australia supported the British and American lead.

Boycott questionnaire: Lord Killanin, the president of the IOC has sent a questionnaire to heads of international sports federations, asking for their opinions on the boycott issue.

Ali apology: Muhammad Ali, the former world heavyweight boxing champion, who is visiting African countries to urge support for President Carter's call for a Moscow boycott arrived in Nairobi yesterday and in effect apologized for not

Accord to speed up Egypt-Israel ties

From Christopher Walker,

Jerusalem, Feb 4

The Egyptian and Israeli governments have agreed to the establishment of a comprehensive new negotiating framework designed to speed up the process of normalizing relations well ahead of the schedule laid down last year in the Camp David accords.

Since the complex process of normalization began on January 26, the practical results have been patchy and occasionally reduced to the level of farce by the heavy hand of Egyptian bureaucracy. Most Israelis now appear to accept that because of the centralization in Egypt, little in practical terms is likely to happen until the relevant government - as - government agreements have been signed.

The setting up of the new subcommittees was described today by senior Israeli Foreign Ministry official as "a very positive step forward". It comes after a pledge to increase the tempo of normalization given last month by President Sadat of Egypt to Mr Ezer Weizman, the Israeli minister responsible for the process.

Today's disclosure coincided with the arrival in Israel of an Egyptian diplomatic team to choose premises for the Egyptian Embassy and the ambassador's residence.

The Egyptians have been temporarily installed in a Tel Aviv seafarers hotel and given a list of some 40 potentially suitable buildings.

After some initial confusion it has been agreed that the official unfurling of flags at the two embassies and the exchange of chargés d'affaires will take place on February 15. The ambassadors will present their credentials on February 26.

The Israeli Government has already taken possession of an eight-room building in the fashionable Dokki district of Cairo, near the Nile, which will serve as an embassy until larger premises can be found.

The two factors are cited as evidence that, for the present at least, the process is not being hindered by progress towards an agreement on

Palestinian autonomy.

The two countries have also agreed to establish a joint committee to handle financial claims at government level. One subject likely to be raised is the question of the oil extracted by Israel from the Alma oilfield before it was handed back to the Egyptians last November.

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Most Israelis now appear to accept that because of the centralization in Egypt, little in practical terms is likely to happen until the relevant government - as - government agreements have been signed.

The setting up of the new framework was worked out during three days of intense private talks in Cairo between six senior Israeli and Egyptian officials. The results were reported this morning to Mr Menachem Begin, the Israeli Prime Minister, who later said the talks had been "completely successful".

Egypt and Israel have agreed to set up eight joint sub-committees to discuss the immediate establishment of normal ties in tourism, air and sea transport, civil aviation, culture and science, trade and economy, telecommunications, energy, and agriculture.

A strict timetable has been laid down for the sub-committees, half of which will meet in Israel and the other in Egypt. Each sub-committee will have about six members including officials from the relevant ministries and from both foreign ministries.

The agreement has coincided with reports in Israeli political circles of a more business-like approach being adopted to normalization by the Egyptian authorities.

The two factors are cited as evidence that, for the present at least, the process is not being hindered by progress towards an agreement on

the Administration's official position is to seek resolution of cases involving staff members through discreet negotiations. However, Mr Lowell Flanders, president of the staff committee, is accusing the legal department and the United Nations Secretary-General of laxity.

The Polish authorities have not formally responded to the United Nations request for information about any charges against Miss Wesolowska and have refused to allow a United Nations representative access to her.

Sources close to her family report that Polish officials indicated that Miss Wesolowska would be brought to trial in one or two months. She is said to be under pressure to admit crimes she did not commit. She has lost a great deal of weight, her hair is falling out, and her health is deteriorating.

A legal brief on Miss Wesolowska's case, prepared by a Washington international law firm states: "Whether Miss Wesolowska's immunity is ultimately applicable or not, Poland's refusal to permit United Nations officials access to her is a direct breach of Poland's duties to the United Nations".

The report recommends that the United Nations should submit the case to the International Court of Justice in The Hague.

The thirty-fifth Franco-German summit here is turning out to be one of the most important since the signing of the treaty between General de Gaulle and Herr Konrad Adenauer.

Little has transpired about the talks which began yesterday evening between President Giscard d'Estrées and Herr Helmut Schmidt, the West German Chancellor. They have met privately and with M Raymond Barre, the Prime Minister, and the two foreign ministers.

But the final statement by the two statesmen to the press at noon tomorrow will doubtless bring out their determination to achieve Europe's "original position" in the present world crisis over Afghanistan, combining an alliance with the western alliance to the west and an independent assessment of events, and a determination to pursue the policy of detente.

This difficult compromise between apparently conflicting objectives, in view of the firmness of the American and British reactions to Soviet intervention, is easier for President Giscard d'Estrées than for the West German Chancellor.

Herr Schmidt wants to preserve both the very concrete results of his country's *Ostpolitik* and the confidence of the United States on which his country's security relies more than ever; and he does not possess a national nuclear deterrent to enable him to play a relatively independent role within the western alliance.

He also has to take into consideration the parliamentary elections next autumn, and Christian Democratic eagerness to seize upon anything his government did which might be construed as "appeasement" or a loosening of the ties with Washington.

The demand was made in response to the continuing imprisonment of Miss Alicia Wesolowska, a 35-year-old Polish employee of the United Nations Development Programme who was arrested by the Polish security police while visiting her parents in August.

During a recent meeting of the federation at United Nations headquarters here, staff members said they were disturbed by the administration's "callous inaction" at the detentions, disappearances, or reported deaths of seven of their colleagues in Ethiopia, Afghanistan, Argentina, Chile and Poland.

A United Nations legal department spokesman has said

Coping with rebel raids, sabotage and land reform in an Afghan town

From Robert Fisk

Jalalabad, Feb 4

The Governor of Jalalabad, muddled, with closely cropped grey hair and wearing thick-rimmed spectacles, could hardly cope with the morning visitors to his office.

The chief of police was here with reports of the damage from the fighting of the last few hours; the local Army commander, snapping to attention in a tunic two sizes too small for him, presented an令人印象深刻的 large pile of incident reports. A crowd of farmers poured into the room with compensation claims.

Every minute the telephone rang with reports of sabotage from the villages though it was sometimes difficult to hear the callers because of the throb of four helicopter gunships, which could be seen hovering over the trees through the window. It had been a bad night.

Mr Muhammad Zia, former export manager of the National Wool Company and Governor of Jalalabad for just 12 days, refused to let these things overwhelm him. "There is no reason to over dramatize these events", he said, as though Jalalabad's mighty gun battles had been a part of everyday life for years.

He sipped at cups of scalding hot tea as he initialised the piles of reports, jolting with an Army Lieutenant and gently ordering the removal of an old beggar who had forced his way into the room to shout for money.

As for the Democrats, their party in Maine is holding caucuses next Sunday and the victory will probably go to the more enterprising candidate.

A Carter supporter on a Kennedy supporters alone in the farness of the winter countryside, can form a caucus practically on his own and elect a delegate to the state convention whose vote will be fully the equal of that of the representative of large gatherings of people in the cities.

In Arkansas, supporters of Mr Ronald Reagan and Senator Howard Baker combined to defeat Mr George Bush. Mr Reagan got six delegates, Mr Baker four or possibly five and Mr Bush one. Mr John Connally, who once invited all Arkansas Republican office-holders to a party in a supporter's house, got none.

A total of 181 people took part in the voting. They gathered in local committees and in every case the Reagan and Baker supporters agreed beforehand to carry up the vote between them.

So Mr Bush lost in fact he was lucky to pick up one delegate.

The situation in Maine, where Sunday's vote will undoubtedly play a large part in reviving Senator Kennedy's campaign, or sinking it for good, is hardly more democratic. The state is divided into 496 "eligible electoral units" which may hold caucuses and each elect one or more delegates to the state convention on May 16.

In 1976, there were caucuses in 375 of these units, and about 6,800 Democrats turned out to vote. The number of delegates selected by each caucus depends on the number of democratic votes cast in the last election to Governor.

General Zia sees need to widen his public support

From Hasan Akbar

Islamabad, Feb 4

The results of the weekend talks here between Mr Zbigniew Brzezinski, President Carter's national security adviser, and the Government of General Zia ul-Haq were considered today by the Cabinet.

According to informed sources, the meeting was also attended by the chiefs of the three services. No official statement was issued about the deliberations.

However, it was stated that the Cabinet had also considered the results of the recent Islamic foreign ministers' conference and the visits of the foreign ministers of Britain, China and Australia, all of which related to the Soviet military intervention in Afghanistan.

Meanwhile, it was reported that General Zia, the chief

martial law administrator, would be calling a convention of the recently elected members of local bodies and leading figures from different walks of life later this month to seek support for his proposed new political framework for Pakistan.

The general is said to be considering setting up consultative or advisory councils in the capital and the four provinces in an attempt to associate civilians with his martial law Government.

The need for a closer relationship with the population is being felt in Government quarters in view of the indefinite postponement of general elections and the extraordinary political and military situation that has arisen as a result of the Soviet military action in Afghanistan.

Such quiet diplomacy will, of course, take time and this in the Indian view is the danger behind the Brzezinski visit.

President Carter is under domestic pressure to do something and, in Delhi's view, the national security adviser, who did not even bother to come here, is perhaps the worst counsellor Mr Carter could have on how this region really feels.

Massacre survivors say Soviet advisers present

Boston, Feb 4.—Afghan troops last year slaughtered more than 1,000 Afghan civilians. *The Christian Science Monitor* reported today.

The shooting was reportedly ordered by a Soviet officer who wore an Afghan uniform without rank insignia. Survivors said that as they watched, an army bulldozer ploughed the bodies into an open field.

Circumstantial proof: Stories of atrocities keep coming no light from among the Afghan refugees and although difficult, if not impossible, to verify, the very existence of so many refugees is proof that persecution on a large scale was going on, Ian Murray writes from Paris.

At the same time poor communications inside the town have tended to make rumour a powerful influence and many refugees explain that they fled their native village because of what they had heard was happening in other villages nearby.

The shooting in the small town in eastern Afghanistan's Kunar Province was the first reported case of a mass military

reprisal against the civilian population since fighting began almost two years ago, the paper

noted. The newspaper quoted survivors who said about 200 Afghan soldiers and policemen, in the company of 20 Soviet advisers, machine-gunned almost the entire male population of the small town of Kherla on April 6 and they are assisted by students of imperialism. These people are trained in camps in Pakistan. They are taught by the imperialists to shoot and throw grenades and set off mines. Mr Zia prefers not

to put a figure to so conspiratorial a group of dispossessed landholders.

The Governor still visits the nearest villages during the day, eight hours—accompanied by three soldiers—to inspect the results of Afghanistan's land reforms and Jalalabad's newly-created irrigation scheme. But we are more closely bunched together and our forces can shoot them more easily and then we make counter-attacks and drive them off.

Mr Zia claims that only three Afghan soldiers have been killed in the past week's fighting around the city and—given the unspoken truce which exists between many troops and the rebels—there is little reason to doubt the Governor's statistics.

He does, however, deny that there are any Soviet troops in Jalalabad, claiming only that a few Russian agricultural advisers and teachers are in the city.

There are in fact well over a thousand Soviet soldiers in the Army barracks a few miles east of Jalalabad.

To prove his contention, Mr Zia drew a small diagram on a piece of paper on his desk. It showed a small circle which represented Jalalabad, and a series of arrows pointing towards the circle, which represented the rebel attacks. Then he pencilised a series of arrows from the circle, which moved outwards from Jalalabad.

He was not concerned about the Russian presence in his country. He said: "It is the bandit groups who are our enemies. Land was taken from them under our Land Decree No 5 and they are assisted by students of imperialism. These people are trained in camps in Pakistan. They are taught by the imperialists to shoot and throw grenades and set off mines." Mr Zia prefers not

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President Brezhnev and Mr Heng Samrin inspecting a guard of honour in Moscow.

Kampuchea leader in Moscow

Moscow, Feb 4.—Mr Heng Samrin, president of the Vietnamese-supported government of Kampuchea, arrived in Moscow today in a warm welcome from President Leonid Brezhnev.

The Phnom Penh leader was installed in power after Vietnamese troops entered Kampuchea at the end of 1978 and the pro-Chinese government of Mr Pol Pot was overthrown.

Interpol joins hunt for missing union leader

From M. G. G. Pillai
Singapore, Feb 4

The Singapore Government has asked both Malaysia and Interpol to help find Mr Phey Yew Kok, aged 46, who has been missing since January 7 when he failed to answer charges of criminal breach of trust and misappropriation of trade union funds.

What is unusual about the request is that Mr Phey was a respected trade unionist, the immediate past president of the National Trades Union Congress (SNTUC), a member of Parliament and in the inner councils of Singapore's ruling People's Action Party (PAP). He was charged in December on six counts of criminal breach of trust and misappropriation of funds from two trade unions he controlled, totalling \$100,000 Singapore dollars (about £20,000). Another two charges would have been added had the trial begun.

He was allowed to retain his passport and several theories have him in Malaysia, Thailand, Taiwan or dead. The court has since ordered that the two people who put up bail forfeit almost \$500,000.

The SNTUC reacted sharply by dismissing him from all official posts, including their secretary-generalship of three powerful trade unions under its umbrella: the Singapore Industrial Labour Organization.

Opposition walk out over Desai inquiry report

From Richard Wigg
Delhi, Feb 4

Five opposition parties in the Indian Upper House staged a walkout today in protest over the "Government's refusal to table immediately the full text of the report of a judicial inquiry into the activities of Mr Kanti Desai, the son of the former Janata Prime Minister.

Instead, the Opposition alleged, the Government of Mrs Indira Gandhi had chosen to leak to a local news agency yesterday what they called a "distorted version" of the report. It quotes Mr Justice Vaidilingam as finding that Mr Kanti Desai exploited his father's position to exercise "extra constitutional authority."

This was exactly the charge brought against Mr Sanjay Gandhi, the younger son of the present Prime Minister, by the former Janata government when it set up its own inquiries.

The Vaidilingam report, so far as is known here, would provide Mrs Gandhi with an opportunity to give Janata some of the medicine she found so bitter when she was out of power.

Anniversary day pledge given to Sri Lankans

From Our Correspondent
Colombo, Feb 4

Ceremonies in Buddhist, Christian, Hindu and Muslim places of worship marked the thirty-second anniversary of Sri Lanka's independence and the second anniversary of the inauguration of the presidential form of government.

A military parade and one by thousands of schoolchildren were staged in the southern town of Matara.

In a message to the nation, President Jayewardene said the positive policies of his government would in the near future bring about better living and economic standards for all. The food stamp scheme had provided support for virtually half the population.

Human suffering goes on as rights officials dither

From Our Correspondent
Geneva, Feb 4

In addressing the opening session today of the United Nations Human Rights Commission, Mr Theo van Boven, director of the United Nations human rights division, asked whether they could continue to apply procedures "considerably distant from what is really happening in the world".

The United States delegation has indicated that during the six-week session it will lose no opportunity of raising the question of Afghanistan and the exiling of Dr Andrei Sakharov, the Soviet dissident scientist. Mr Waleed Saidi, of Jordan, was appointed chairman. The session's agenda gives priority to the question of people who have disappeared, particularly in Latin American countries.

their procedures were becoming "screens of confidentiality" to prevent cases from being aired in public. In seeking to cooperate with some governments in checking allegations, they were allowing years to pass while victims continue to suffer and nothing meaningful is really done".

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SPORT.

Rugby Union

England happy but not complacent

By Peter West
Rugby Correspondent

The chairman of England's rugby selectors, D. P. "Budge" Rogers, was able yesterday to indulge an unfamiliar pleasure by watching his挑选的 team, as well as reserves for an international match, against Wales at Twickenham, on Saturday evening. Meanwhile, the president of the French Federation, Albert Ferrasse, was equally satisfied with his pack of selectors, not just for being far too busy in their efforts to play Scotland day but for getting it all done well. Moreover he hinted darkly that other another round of championship matches

"It is obvious", Mr Ferrasse said, "that after the French defeat in Cardiff our selectors took too long to name the team playing England. This time they have been quick, and it was astonished when I saw what changes had been made. The half backs chosen against Scotland, Adrien Mourant and Michael Gauvin, would have done no better than Galloway and Caussade last Saturday, when the French

pack was so decisively beaten by the English.

"It is time to reconsider the French forwards who have been given a lesson by the English in line-out scrummage and the line-out. Although we have won the ball, we still had England worried. So I think the problem now is to find players who can strengthen the pack without Wales."

Back now to an England team in which Tony Neary, who is playing as well as he has ever done, is due to win his 2nd cap, so equaling the record of 11 caps set by record. Three of its members are still licking their wounds after the game in Paris—Phil Beaumont with a knee injury, Philip Blakeway with a hand injury, and Alan Rodger Urquhart with stitches in his temple—but the first two are confident of being fit for Lancashire and Gloucestershire, respectively, in their county championship final on Saturday.

In his appraisal of the French contest, Mr Rogers said he was especially pleased by England's reaction when they were 7-3 down. He liked the way they set themselves to recover from a bad start and then demonstrated "Until France came back at us late in the game I've never seen an international pack so dominant

for half an hour." He was delighted with the support play and by what he called the terrific teamwork. "The lads have developed an enormous sense of identity and total understanding. They're huge, but there's no complacency or over-confidence. They're critical of themselves even victory, and they'll be mentally strong again with Wales."

The chairman conceded that there remained plenty of aspects in the English play to be improved. "There is a bit of laziness at the end of the game, relaxation, a loss of concentration, and we're not to keep it going for 50 minutes. We've still got the problem of turning good possession into points, and, though the England pack is—it can't be expected to repeat the dog against Wales."

Wales is a complete side, balanced through being better all-round combination than we're used to. But we're not worried. I don't think there'll be an English inferiority complex, because says there is not a ticket left in the stand."

REPLACEMENTS: P. W. Davies (Leicester), A. G. B. Old (Sheffield), P. J. Taylor (Cambridge University), S. Barnes (Oxford), E. G. Jones (Gloucester), M. Rutter (Bristol).

Quietly-spoken man who occupies South African rugby's hot seat

Lochner finds that time is running out

From Richard Stratton

Pretoria, Feb 4

To be chairman of the South African rugby selectors at the present time must vie with the Olympic organizer's role in Moscow as the least enviable position in sport. South Africans are not only desperately anxious to mark their return to international rugby against the British Lions later this year with a convincing success, but this is the crux of the review of Col. W. V. J. McBride's 1874 team to avenge. The man with the final responsibility for picking the Springbok sides will be Colonel G. P. "Buch" Lochner.

He is a shy, quietly spoken former wine producer and poultry farmer from Cape Town who carries the burden of a nation's hopes with remarkable calm. "As a selector you will never satisfy everybody even if your teams win, as there is no point in worrying about it either way", is a summary of his philosophy. His army rank is slightly misleading; it was only two years ago that he was persuaded to join the service to organize coaching and facilities for army sport.

Between 1955 and 1958 Lochner was as devastating and efficient flank forward as ever downed the green and gold Springfield jerseys. The British Lions' Africa tour and the all-blacks' all-time cause to remember his fast and free roaming game. "When Buch tackles you, you stay tackled", was how one Wallaby described his play.

On the field he has always remained a surprisingly good, non-confrontational person, happily married with four children. It epitomizes his character that he does not like individual games like golf or tennis: "They make you selfish—it is team sports that build your character and that's what sports should be about". He plays golf, tennis, bowls, but does not mind if he wins or loses. He enjoys gardening and fishing and the convivial moments on the trek when hunting. Big game? "Oh no, I kill for that night's cooking pot, but see no point in killing an elephant. It is too easy these days. You have this great big gun and the animals allow you to get close. What is the point of it all except to boost the ego?"

Although he has never played the game, Colonel Lochner's most surprising relaxation is watching cricket, either in television or the more melodic game, all that restful atmosphere, yet every ball a different challenge. I always look twice at a rugby player I know to be a cricketer. It means he will have good ball sense."



Holmes: a big man, right for the modern game.

We never did, but those days have gone, and now for the Lions. Now again we must learn from your players, the thinking of your selectors, their coaches and your approach."

There had been an agreement between Colonel Lochner and myself that I would not discuss politics but I did ask him if his selection committee had a free hand to choose on strict merit or would there be the temptation to include non-white players for what had become known as "winning" selection. He said he was sympathetic to non-white players who were now developing rapidly but merit would always apply. "I can tell you that the two selectors who have joined us are good men," he said, "and I am looking forward to the blacks and Dougie Davies, the coloureds, who coached the Barbarians in your country last year, would be the first to be against my preferential thinking."

"They showed that by disengaging which the French did not have to do, three non-whites in the tour to France that did not come off last year. They were even more disapproving when we asked for the tour to become a longer one, with the party increased from 25 to 27, and the French said, "Yes, but the South Africans had to be included". (This tour was cancelled when the French government declined to issue visas but the French federation's stipulations have not been widely reported.)

Colonel Lochner should not be confused with his cousin with the same initials, G. P. "Plaspie" Lochner, a former Springfield centre, who was chairman of selectors 20 years ago. But Buch Lochner's committee will choose the opposition for the other games outside the internationals—the matches against the South African XV, the junior Springboks and the South-West Country team, and they will have a say in the South African barrier XV.

An unconfirmed rumour still has it that the Argentine Pumas will make a tour and play two internationals in April to help the Springfielders. Morné du Plessis, the renowned M. & S. coach, is reported to be the Springbok captaincy and the general thinking among enthusiasts is that South Africa will be strong at forward, especially at lock, but that there is a scarcity of good backs. Peter Whipp, a centre, is still playing. Ian Robertson, the Rhodesian centre, who had hoped to be picked has been ruled out by a long-standing wrist injury. Dan Du Plessis, the leading Springfielder has deferred taking up an appointment at a Cardiff hospital in order to play in the series.

will arrive from the five nations tournament as we awake from our summer sleep. There is so little time and so much to do that we have to learn from our own experience to learn the ball, keep possession and use it... their support play... no chance is wasted to attack... Terry Holmes, the Welsh scrum half, is the man most frequently discussed. He is so strong and so strong... Our scrum half is small and nippy yet that Holmes is right for the modern game where the scrum half is buffered so from the lineout."

Colonel Lochner has never forgotten his days with the Lions and has been homebound after setbacks in New Zealand and South Africa in the sixties. England's visit in 1972 when they won the only international he had caught the Springfielders' eye. He is reported to be a good player, but does not have the experience. Our Currie Cup game has its own tour pattern which does not always fit in with how we should play. The possession is dreadful. Our half backs kick far too much. They deprive the centres and wings of control to run."

Like everybody else in the Republic, Colonel Lochner has been watching television in recent days when edited versions of the international championship games have been shown. "The Lions

will be a big man, right for the modern game."

Racing

A trouble-free Border Incident can pass Newbury test

By John Karter

Border Incident. Richard Head's brilliant but luckless steeplechaser, may miss his intended race at Huntington on Thursday and take on Silver Buck, the third favourite for the Cheltenham Gold Cup at the Coronet Hotel in Newbury on Saturday instead. The conditions of the race stipulate that Border Incident must give 3 lb to Silver Buck and if he proves equal that severe test he could well be lying for God's sake, favouritism with Diamond Edge.

It has been one of the disappointments of last few seasons that a horse as outstanding as Border Incident has had to be restricted, through various

training troubles, to such a small public programme. He is perhaps one steeplechaser around who has lost the ability to quicken and leave his opponents for dead in the time it takes to tear up a bookmaker's ticket. How marvellously he coped with his just-won unconvicted and show just what a champion he is.

Richard Head's thoughts, like the rest of us, must descend to a much more mundane level today when Lester Piggott, the Sage of Sandown, takes place the Sedgefield meeting having become the 40th victim of the weather this season. Head runs as promising a six-year-old, Sea Captain, who has had enough top-class horses on the Flat to fill an equine Who's Who although his National Hunt ventures are not

nearly so prolific. Mizzenhead ran with great promise in his first race, when finishing sixth to Running Wild at Newcastle last month.

Frank Pitman, who had a double at Leicester yesterday, could well add to that today by taking the Charnwood Handicap Hurdle with her consistent five-year-old Molti. Successful in a novice event at Devon in December, she ran well on credit in her first venture in handicap company when she finished second to Cambogia at Fonthill Park.

Having won the Cheltenham Gold Cup, Frank Pitman's son, the

18-year-old Peter, has been

selected to ride the 10-year-old

Colt, Diamond Edge, at the

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PARLIAMENT, February 4, 1980

Steel strike must be settled on terms industry can afford

House of Commons

It seemed deplorable to many people that the law should allow the private steel sector, where there was no quarrel or dispute between employees and their employers, to be called into the British Steel Corporation dispute. Sir Keith Joseph, Secretary of State for Industry, said:

He was replying to Mr Kenneth Baker (City of Westminster, St Marylebone, C) during exchanges after a statement in reply to a private notice question from Mr John Silkin, chief Opposition spokesman on industry.

Mr Baker had said: Following the decision by the House of Lords on Friday which reversed the decision of the Court of Appeal the law as regards secondary picking is in a considerable state of confusion.

Would the Government take an early opportunity to clarify the law, in particular to narrow the range of trade union immunities, especially the immunity enjoyed against an action by an employer in a trade dispute when that particular employer is not involved in the dispute?

Sir Keith Joseph said the particular question was a matter for the Secretary of State for Employment, Mr James Tamm.

Earlier in reply to Mr Silkin, he said: The steel employees of the private steel companies have now been brought into the steel dis-

pute although they have no quarrel with their employers. The loss of business arising from this action and from the continuing dispute in BSC is putting steel firms and the jobs in them at risk.

So far steel users generally have been little affected by the dispute but production and employment will be threatened on a much wider scale if and when steel supplies run out.

It is in the interest of all who depend on steel for their livelihood that the BSC and the unions should end this self-destructive dispute quickly on terms which the industry can afford.

Mr Silkin (Lewisham, Deptford, Lab)—What is the value of the lost production so far? I saw a report in the weekend press which said there was "a conspiracy of silence between the CBI and the Government" over the damage that has actually been done.

It is the Government's refusal to intervene and in particular the inaction and complacency of Sir Keith Joseph that has led us to a strike that is now coming to its sixth week.

It is not the real problem of the contraction of the British steel industry the contraction of British manufacturing industry itself? That contraction has been accelerated by the Government's economic policies and by its failure to protect industry in the greatest way. But certainly the economy is becoming internationally competitive.

It serves those workers in the long-suffering taxpayer should be called in to make good the earnings

Sir Keith Joseph—I cannot give a precise answer about the loss of production. (Labour cries of "Why not?") The quantity of production appears from such figures as have been published to have been very little down, something of the order of 1 per cent in the third week of the strike.

The real damage cannot be measured just in lost production, serious though that is, but in confidence and future orders of British

Mr Silkin:—When he says I have not said this openly he is wrong. I have said it in debate after debate. It is clear that since he has not got any more than he has listened to those European competitors he praises so much or to Commissioner Vredeling, none of whom can understand what on earth his rigid timetable is meant to achieve.

Mr David Steel, leader of the Liberal Party (Roxburgh, Selkirk and Peebles)—There are lessons to be learned from the success of the French steel industry since the restructuring carried out, backed by the Government, in 1978.

There is a growing feeling in public opinion, including among employers in the steel industry, that the Government's steadfast refusal to do anything in this matter smacks not so much of indecision as of Toryism as the principles of anarchy.

Sir Keith Joseph—Mr Steel is one of those who thinks the long-suffering taxpayer should be called in to make good the earnings

He charges this Government after nine months in office for bringing about the contraction of British manufacturing industry, which was manifest during the five years of the previous government. One of the factors reducing demand for British steel has been the fall in demand from British steel-using industries, and deeply tragic is.

Mr Silkin:—When he says I have not said this openly he is wrong. I have said it in debate after debate. It is clear that since he has not got any more than he has listened to those European

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Steel workers (the continued) have made their contribution with 17,000 jobs lost in 1978 and more in other parts of the country. It is right that the community should make a contribution to easing the burden such as by

which the steel workers could make good themselves.

It is true that a number of steel industries abroad, particularly German, Dutch and French, have either turned from loss to profit over the last two years, or are well on the way to doing so, by their own efforts in spite of the difficulties facing the steel industries.

Sir Keith Joseph—Interest payments are less in proportion to British Steel than in practically all their European competitors.

The last £1,500 investment by the taxpayer in British steel pays no interest. It is public dividend capital.

Mr Patrick McNair-Wilson (New Forest, C)—Sir Keith appears to be lingering longer in the debate. He does not listen to those European competitors he praises so much or to Commissioner Vredeling, none of whom can understand what on earth his rigid timetable is meant to achieve.

Sir Keith Joseph—No one grudges higher earnings to the steel worker but many people realize that he can earn more himself and need not turn to the taxpayer. Mr James Tamm (Teesside, Redcar, Lab) said that a consistent proportion of the burden on the steel industry came from the interest payment on the debt incurred as a part of the modernization programme in constituencies like his.

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Sir Keith Joseph—It is in the interests of steel workers that they should become more competitive. That is the way their jobs will be saved, they will earn more, and have secure employment. Therefore, rescue by the taxpayer will not help them.

Mr John Morris (Aberavon, Lab)—How long do Sir Keith Joseph and the Prime Minister intend to maintain their stance of non-intervention and allow industry to bleed to death?

Sir Keith Joseph—We hope that the Government and unions will soon be negotiating seriously and with good results.

Competition rather than control

House of Lords

The importance which the Government attaches to competition was fundamental but it took a view that the free choices of the citizens should determine the pattern of economic activity. Viscount Trenchard, Minister of State for Industry, said:

He was moving the second reading of the Competition Bill which has already been before the Committee and which provides, among things, for the abolition of the Price Commission.

Viscount Trenchard said the Bill was an essential component of the Government's overall economic strategy. It believed in competition rather than control. Consumers were not free to choose unless suppliers competed; this meant economic freedom.

Nowhere was competition more important than in the control of inflation. Previous governments had put their faith in controls. Price controls, high personal taxation, and the erosion of differentials had been advocated not because governments believed in them but because they were trying to create an air of favour from some sections of the public, from the trade union movement or on the left wings.

Price control was worse than useless because it positively broke down competition. It changed the orientation of business from the marketplace, from new products and new designs, to one which at

times represented near collusion to beat off the assaults of the Price Commission.

The Price Commission, with its 500 staff and consultants to support them, were capable of asking enough questions to turn the minds of tens of thousands of managers away from what was the greatest threat to the economy.

Lord Penrhos of Shulbrede, and Opposition spokesman, said:

Mr Norman Atkinson (Harroway, Tottenham, Lab) had asked if Mr. Nott would consider the early introduction of multilateral import regulations as a means of assisting world-wide growth in manufacturing industries.

Mr Nott (Iver, C)—No.

Mr Attkinson:—Over the period 1968 to 1978 import penetration in terms of ratio between imports and home demand has risen from 17 per cent to 25 per cent in 1978 and we are now within three or four percentage points of a disastrous situation in our manufacturing industry where sections of our industry will be out of business unless the minister takes some action.

This was most regrettable, particularly at a time of rising inflation. The rate of inflation with the Bill's second reading took place in the Commons was 11.4 per cent. Today it was edging up to 20 per cent.

The Government was doing away with any form of price control.

Any hope of a pay policy working for the future would depend in some measure on control over prices.

Lady Seear (L) said the Liberals gave general approval to the objectives behind the Bill.

The Bill was read a second time.

House adjourned, 5.37 pm

The New Hebrides Bill, which grants independence to the Commonwealth, was read a second time.

EEC ministers to consider impact of imports

The best way to safeguard Britain's trading system was by abiding by the rules of the Gatt and not erecting new unilateral import controls. Mr John Nott, Secretary of State for Trade, said during questions:

Mr Norman Atkinson (Harroway, Tottenham, Lab) said:—Sir Keith Joseph should consider the early introduction of multilateral import regulations as a means of assisting world-wide growth in manufacturing industries.

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Mr Nott—I accept that import penetration has substantially increased over that period. On the export side, we have to look at that market. I hope by the end of this week we will have more to say on this subject.

Mr James Lannon (Oldham, East, Lab) said:—It is not concerned with the idea of import controls, and I share that view, would he consider trying to assist the manmade fibres industry by looking at the question of fair trading?

Mr Nott—I agree that we have to obtain a balance between protecting our industry from unfair imports on the one hand and the need to promote exports on the other hand.

We have in these matters to act through the Community. I accept that we must take firm and decisive action against unfair trade practices.

Mr Nott—Some 95 per cent of all imports from low cost producers of textiles are under some form of restraint or another. It is simply not the case to claim that there is no protection against low-cost imports.

The present problem is imports from developed countries and that is the subject of a Council of Ministers meeting tomorrow.

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Mr Attkinson:—We have

Fashion

by
Prudence Glynn

We must try harder

Enough of gloom and doom in fashion. If you put your mind to it you should look stunning this season.

Of course there are serious problems for manufacturers and retailers though one might point out that many of them have been on the decline since 1977 and were clearly visible to those with the right brand of telescope, but then fashion is a notoriously short-sighted industry.

Why whine to Sir Keith Joseph, Secretary of State for Industry, about cheap imports from obliging Hongkong when if you ask an English manufacturer to put an extra row of topstitching on a garment the answer is, No. One seam, no design. No design, no sales.

No wonder women are either not buying or are "buying safe". What else is there? And what else is there to make of an industry so fragmented and undercapitalized, so lacking in confidence and projection and which is represented in the eyes of government by a body which is self-selecting, self-congratulatory and whose latest triumphs have included the sponsorship (helped by your and my money) of a mission to Tokyo.

Most of the participants were cocktail and evening dress producers, although Japanese women buying in this price bracket do not drink cocktails, nor do they go out after six o'clock. The timing, however, was

brilliant. It coincided with a mammoth Japanese fair elsewhere in the city, to which all the buyers went.

The answer is that we can make as much or as little of it as we want and the great danger is now that, having talked ourselves out of Empire, Faith and the Work Ethic we are just about to intellectualize ourselves out of fashion.

How splendid to hear Robert Midgeley, chairman of Harrods, that apothecary of the consumer dream state roundly that we just have to work harder, be more competitive, give better service, better value. Green-eyed ones among retailers will, of course, point out that that sentiment is easier to express by mogul who can offer his customers anything from a black silk stocking to a lawn mower rather than just trying to flog a few frocks. But it is, in fact, a sentiment echoed through the areas of trade and industry just who their customer is. Money Marks, for instance, whose range designed by Anze Trell for John Marks can be counted in dozens at any night out function. He thinks we have to work harder, too.

Then, there has arisen this spectre of poverty, yet the best selling overcoat this non-winter has been either a camel classic at £173 or a heavy knit plus fake for calf length job at £125. It is possible that people are buying them to offset fuel bills, of course.

But it is an ill wind, so by now I trust you have in your wardrobe a narrower, shorter skirt, an expensive-looking shirt, a jacket with a stand, triple seamed collar, wrist-length gloves, a hat by Bermons and for late

day, a camisole dress with a shirred waistline and a soft jacket to fling on or off, as the case may be. And all at thrifty prices, too. Never have there been such bargains if you know that you need.

Colours
Solid blocks of plain colours juxtaposed in unusual combinations. Good together; black skirt, scarlet shirt, white jacket; claret with grey; toffee with grey and claret; white with cream and emerald; royal blue, scarlet and yellow; scarlet with grey and black.

You need to be a bit careful wearing claret if you have a typically fair English skin. It can make you look very wan, so adjust your makeup accordingly.

Boring neutrals are out. I rather like sage green (not for makeup), which is flattering, but do not wear too much of it at once—for instance not a coat. When I was in Australia and America the difference which most struck me was the quality of light which absolutely demolishes our gloomy fog-bound ideas of tone. It also demolishes our exports. "We love your look and your quality" say the stores "but your colours are just drab."

Proportions
Absolutely crucial in putting together the new look in separates. Prepare to look, knee unrevealed for a decade, because you are going to be on view. Nor in those silly tie-ups which Paris showed a year ago, but certainly for the bold, sporty-feminine-casualised, in the form of a brief leotard mini and, far more important in mass market terms, skirts are just simply getting shorter.

The best length jacket to wear with them (do not forget the contrast colour) is mid thigh length—certainly for outerwear—or the newly revived short bolero jacket.

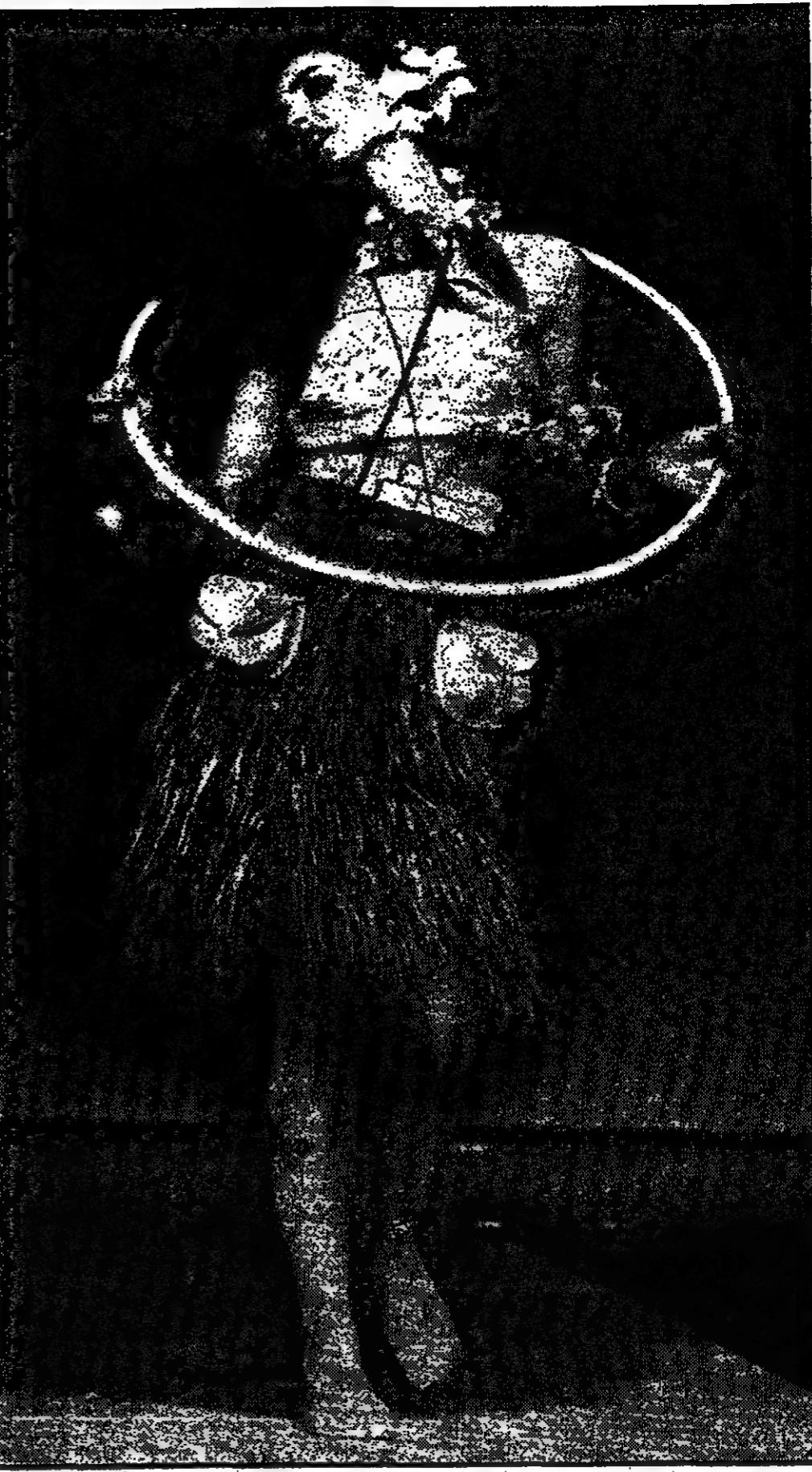
Before the last war there used to be called bridge jackets, presumably because they were worn to prevent pneumonia in unheated country houses while you sat around for hours waiting for your partner to call dinner, or whatever it is one does in bridge. A modernised version of this jacket should be knitted, and brilliantly patterned, probably shot through with lurex. Solid figures will prefer the sleeveless, collarless classic bolero shape which hides a multitude of sins and balances a multitude of larger lower halves. The dashing should go for the mandarin cut, much shorter, with peaked shoulders to enhance a nice neat waist.

I fear you are going to have to have a waist.

What is much worse, you are going to have to have one, if at all possible, without benefit of substantial foundation garments.

I suspect that underpinnings, or the lack of them are going to be a major source of concern for women this season. So many of the prettiest clothes are so very sheer, wherein lies their charm.

It is a conundrum, and at the risk of being accused of dodging the question, the only advice I can offer is that you at least try these new, soft shapes. The lingerie people at all prices are much more in tune with fashion than they used to be and you can probably get a slip to follow the contours and the colour of the dress. When in doubt, don't.



Tomorrow sees the launch of an ambitious and long overdue venture in the promotion of British Fashion. The London Midseason Collections will run for three days at what used to be the Rainbow Room of Derry and Toms then Biba and is now termed the Kensington Exhibition Centre, in Kensington High Street. Sponsored by the Clothing Export Council and Drapers Record, this first actual fair for midseason topping-up is planned to be a twice yearly event. Just short of ninety exhibitors are there to provide fashion for now.

Photograph by Barry Beattie

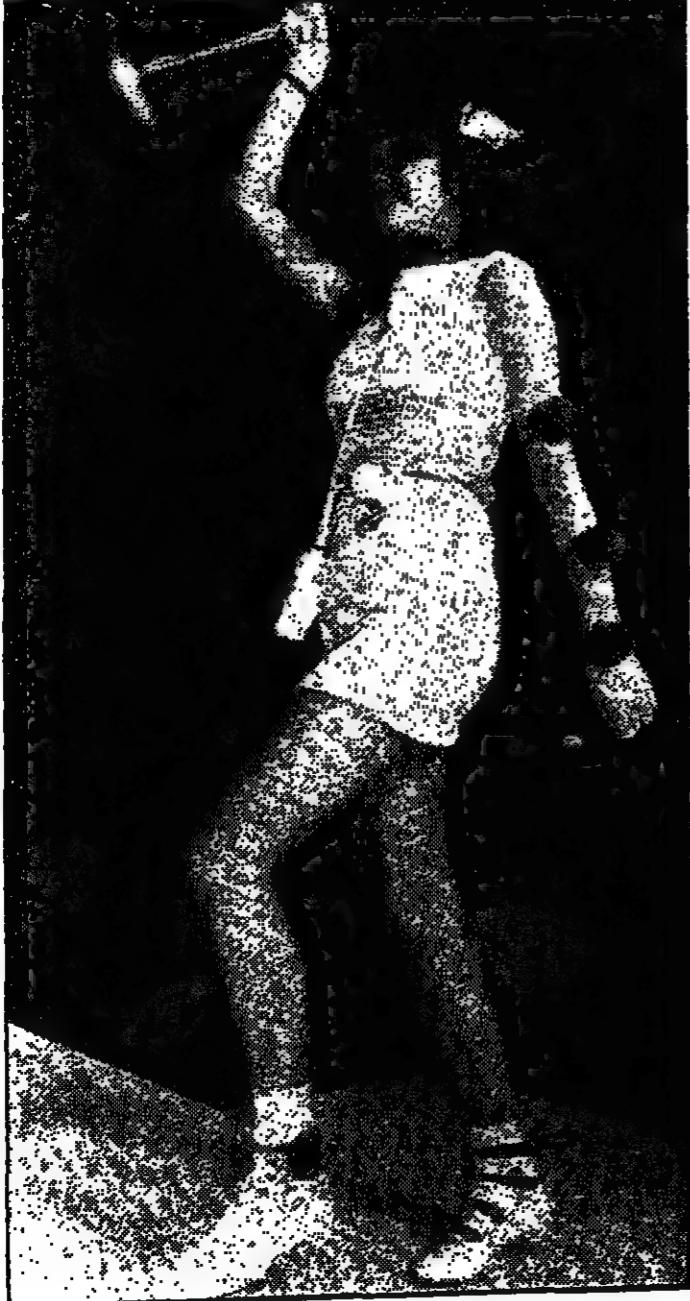
Above: One way to show accessories: bags, flowers, belts, beads by Sarah-Lou

Left: The All-American leisure look
Abstract print mini skirt, wind cheater, T shirt. By Paul Howie



The one to pick

Hardwicks by
Stuart Crystal
Available from leading retailers



Top left: The cool, wearable look. Black print crepe, white print crepe. Terence Nolder for Quorum.

Top right: Red seersucker flamenco dress. By Strawberry Studio.

Above: The important sports look. Knitted shorts, top. Worn with ankle socks (which do not have to match one another).

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THE LONDON COLLECTIONS

Maggie

Are You Wearing Art?
The Positive Face — Wait for it!
London — Paris — Milan Fashion
JAN/FEB/MAR '80

ON SALE FROM W.H.SMITH & SON AND YOUR NEWSAGENT

Bernard Levin

Sandwich course on eating in the machine age

It may not be universally known, but journalists, and indeed their secretaries, are among the most modest and unassuming of people, always reluctant to draw public attention to their gifts or achievements. My own readers will, of course, have noticed such qualities in me, and may well have wondered whether I am as exceptional in this respect as in so many others; I can assure them that I am not, and that it is the custom throughout my profession to do good by stealth, and blush to find it famous.

I begin thus because today's column is directed not only to you, gentle reader, but to one of my *Times* colleagues, whom I now invite to step forward and claim with demurely downcast eyes, the credit for a discovery which ranks with those of Archimedes, of Newton, nay, of Galileo himself. I have to do it this way, because I do not know, and cannot otherwise find out, which of my fellow men thus enriched mankind and made as notable a contribution to Western civilization; I do not even know whether a lady or a gentleman is responsible.

The discovery, which ranks with those of Archimedes, of Newton, nay, of Galileo himself. I have to do it this way, because I do not know, and cannot otherwise find out, which of my fellow men thus enriched mankind and made as notable a contribution to Western civilization; I do not even know whether a lady or a gentleman is responsible.

There are, on the editorial floors of *The Times*, a number of machines which dispense food (if that is the right word, and in the case of the pork pies it may well not be) for cash down—down the slot in the side of the contraption, that is. Naturally, the machines go wrong, thus demonstrating yet again the validity of Ruth's Law (named for its originator, the financial journalist Patrick Ruth, whose recent tragic death in a road accident leaves us all the poorer), which states that "Progress Means Deterioration"; when we were in the old building at Blackfriars we had tea-ladies, who dispensed their wares with much welcome cheerfulness, and never went wrong at all, but in the move to Chateau Seifert those good souls were permanently mislaid, and now we have only these soulless constructions.

In addition to their habit of mechanical failure, the food-dispensers have one crippling drawback, which has frequently brought me close to pushing their glass faces down their aluminium throats. They will only accept the exact sum specified on each of the displayed containers for the particular item inside. Since the prices are almost never in round figures of 5, 10, 15 or 20 pence, it follows that an appallingly unproductive number of man-hours is spent by those who, famished in the arduous labours of journalism, wish to sustain themselves till the next square meal with a sandwich, a biscuit, a bun or a humble packet of crisps, in scurrying about the office trying to find someone with a supply of copper, so that something costing 5p or 10p may be obtained from the otherwise unyielding bowels of Robot the Rotter.

Now before I get to the point, I must explain—for otherwise you will not understand it when I do get to it—that the machine repulsive and unhelpful though it is, can count. When a coin is inserted, the machine emits a series of audible clicks, as many clicks as there are pence in the coin, from, naturally, one to ten. When the exact number of clicks in the number of pence demanded has been registered, pressing the button opposite the container of the food the customer sees results in the mechanism moving round until the item may be extracted from the delivery-slot. (I know it's difficult without a diagram, but put a wet towel round your head and carry on trying.) But the most infuriating aspect of the machine is that its insistence on the exact sum required extends not only to a refusal to release the food for less than the stipulated charge (which is reasonable), and to a further refusal to give change (which is not), but to an almost incredible refusal to let the customer overpay it.

Thus, if I want a sevenpenny bun and, with that refusal to reckon the cost of satisfying my wishes that has led me to be known as Lavish Jack Levin, Last of the Big-Time Spenders, I am willing to give the thing a 10p piece with a cry of "Keep

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The Commonwealth Monitoring Group has been successful—but when it should it leave?

Rhodesia: now the worry is how to get out

Outside, doves murmur symbolically above the calm, crooked lawns of Government House. Inside, in an office which once served as a bedroom for the Queen Mother, Major General John Acland, pipe in mouth, is drawing up plans for "D-Day". No one is more aware than he that their success is heavily dependent on the continuing relative tranquillity of this long hot Southern Rhodesian summer.

"D-Day" is the day when General Acland will lead his 1,400-strong Commonwealth Monitoring Group (CMG) out of their tiny enclaves along the rim of this uncertain country, their mission accomplished. How it will be done is one problem which exercises his staff in their three gigantic camps. Suppose that you want something priced 5p, and you have only a 10p coin. You first press the delivery-button, and keep it pressed. You then put the 10p in the slot, and you hear the click-counter go into action. When the count reaches eight, the machine automatically releases the food, because it is too thick to have foreseen that the money inserted is more than the sum it wants. And what makes it all the more delightful is the look on the beastly thing's face as the clicker continues for two more clicks, and it realizes too late, that it has been had.

When I heard of this discovery, I naturally went in search of its author, so that I might lay my humble tribute at the feet of one of the world's great innovators and benefactors. The news was communicated to me by Mr Marcel Berlin, the paper's Legal Correspondent, but he—a man exceptionally modest even by the normal standards of journalists—at once disclaimed all credit, and referred me to Mr Rodney Cowton, the Home News Editor, from whom Marcel had the information. Mr Cowton, however, was just as quick to deny authorship, and sent me on to Miss Annabel Ferriman. Closing in on my quarry, I taxed Annabel with having thus erected an enduring monument to the power of human reason; she blushed, and denied it in turn, adding, in response to my next obvious question, that she could not remember, who had told her.

I am therefore obliged to make this appeal *ceteris paribus*, so that, when an appropriate plaque is put up in *The Times* office to commemorate the great discovery (my proposal is that it should be affixed to the wall of the corridor immediately opposite the food-dispenser itself), so that the creature may be tormented by the very present remainder of Man's superiority to the Machine), it may bear the name of the man or woman to whom the credit is due, and thus ensure that he or she is honoured and remembered, as is only fitting.

The very first job I ever had in journalism was with the BBC, in radio. The building in which I worked was the Langham (formerly the Langham Hotel), opposite Broadcasting House. In those days, the BBC only owned half of the building, the other half being occupied by the Metal Box Company, and the division was vertical; each floor was divided into two by a glass door, separating the exploited wage-slaves of the ruthless capitalist enterprise from the proud freemen of the harmoniously-run public corporation. It was, however, noticeable that, even as we went back and forth to the BBC canteen, sipped our horribly stewed tea from chipped cups half an inch thick, and swallowed with difficulty rock-cakes which would have been more correctly named cake-rocks, on the other side of the partition, the Metal Box tea-ladies, dressed in tasteful uniforms, could be seen trundling trolleys laden with fine china and gleaming silver, and groaning under the weight of an array of most tempting and delicious-looking comestibles. If it turned out that the now defeated food-dispensers at *The Times* were made by the Metal Box Company (and they are certainly Metal Boxes, so I don't see why they shouldn't be), it would constitute the sweetest revenge that has ever come my way after nearly 30 years of hungering for it. I shall tip along the corridor immediately and check, taking with me a 10p coin for a 6p item, and, having humiliated the machine by effecting the transaction in the manner described above, I shall give it a good kick in the side as I go, just to emphasize the point.

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of the Patriotic Front have been unquestioned. At Kite assembly area near Brumbeze, a group of Royal Marines were recently held at gunpoint for an hour by turbulent Zanla members after literally an explosive incident. At Fazlota area near Drapasi in the East, soldiers make continuous three-hour brawls to quench the thirst of 6,000 Zanla men and women in their three gigantic camps. PF frequently join them, standing shoulder to shoulder and saluting no less respectfully, in the bright African dusk.

Still it is the future which must worry General Acland. Ideally the CMG would like to withdraw from the PF assembly areas anyway, after the last cross has been placed on the last balloon paper of February 29—three days before the result is expected. Armoured four-ton trucks are already being procured from the Rhodesians—who are being resupplied by South Africa—to facilitate a speedy departure. Ro-

designed Operations Combined Operations radios, newspapers and even films are now being dispatched to the bush, with generators to provide light and power to darkest Africa. (The films procure include documentaries on ballet and polo—"something they can easily understand" as an officer enigmatically put it.)

Who will carry on the good

work when the CMG leave? Attempus are being made to introduce Rhodesian police officers to some of the more peaceable camps, rather as the Royal Ulster Constabulary are phased into the ghettos of Northern Ireland. But in some areas the mutual dislike would mean that a small group of policemen would risk being quickly killed. And the British have been frustrated by the apparent reluctance of the Rhodesian authorities to open to doubt.

Others show a genuine interest in settling down within a civilian community, learning a craft and enjoying the benefits of social security. However, although a training programme is under discussion, Zimbabwe will need an infusion of job opportunities if these aspirations are to be fulfilled. One pre-requisite must be that they lay down their arms.

In some camps the British play football against the PF. Yorkshire voices drift reassuringly among the moptop trees ("Over to the wing Les, WING!"), while the little black matchstick men skip among them in grubby plimsolls, their Russian AK-47 rifles temporarily discarded on the couchlines. Few of the CMG troops complain, except about the mail, which arrives haphazardly by helicopter—spooling into the isolated clearings, decamping pell-mell with their bush shirts and Nikons.

But fewer British soldiers still, many of whom have recently returned from service in Northern Ireland, will be sorry when they leave. General Acland and his men are aware that they are involved in an important phase of African history, but equally aware that their influence upon it could be brushed aside by an error of judgment later this month—and not necessarily their own.

Henry Stankope
Defence Correspondent



Major-General John Acland (centre) consults members of his staff in Salisbury: waiting for "D-Day".

Why government aid to the developing countries can be worse than useless

Who could possibly be against aid to the less fortunate? Official British overseas aid is the annual transfer of some £700m of taxpayers' money to distant governments and to the official international agencies. To call this transfers aid, simultaneously disarms criticism, prejudices the results, and also obscures the realities and results of the policy. The case for it is taken for granted, largely because it is called aid. Even Professor Mazru, who used so much of his recent Reich Lectures to denounce the West, nevertheless assumed off-handedly that this same rapacious West should contribute its subscriptions.

The policy cannot contribute appreciably to its declared objectives, and is much more likely to obstruct them. The damage in the Third World is even more important than the cash cost: various rationalizations for official aid are often heard, addressed to people who are thought not yet to be firm supporters. The most durable of these has been that aid is indispensable for Third World progress. This patronizes Third World people by saying that they crave for material progress, but, unlike the West, cannot achieve it without foreign aids. Yet large parts of the Third World progressed rapidly long before official aid.

Indeed, external donations cannot accelerate significantly the growth of the national income. Countries where government or business can use capital productively can borrow abroad. The maximum contribution to growth is the avoided cost of borrowing, as percentage of the national income. This is very small, even insignificant, in the case of large countries to which goes most aid.

Thus external aid to India is officially put at about 3 per cent of national income. This percentage is a large overstatement, because the national income statistics of these countries much underestimate the

true national income, often by a factor of three or more. But even if aid is as much as 3 per cent of the national income, and the cost of capital put as high as 15 per cent, the avoided cost of borrowing, the upper limit of aid's contribution to development, is less than one half a per cent of the national income.

This is so even if aid is a free and undictated gift, and if the recipient government uses the capital productively. Aid is unlikely to be so used, obviously so when the declared purpose is an objective other than development, but even when it is given for that purpose, because its expenditure is not geared to market conditions.

Unlike manna from heaven, aid sets up many extremely damaging repercussions. And because it is concentrated on governments, these repercussions are set up with sums which, while small relative to the national income, are nevertheless large in relation to government revenues, or export earnings. By increasing the money and patronage of the recipient governments, aid promotes the disastrous politicization of life in the Third World and intensifies the struggle for power. This increases conflict, especially in the multi-racial societies of most Third World countries. It diverts energy and attention from productive activity to the political arena, because people's livelihood, and often even their economic or physical survival, come to depend on political and administrative decisions.

Further, aid in various other ways also promotes state controlled economies, which again leads to politicization, which again leads to corruption, external contacts and domestic mobility, retards the spread of new ideas and methods, and inhibits development in all sorts of other ways also.

Aid encourages the belief that betterment depends not on self help, but on helping oneself to the trough. This rein-

forces widely prevalent Third World attitudes that a person's fortunes depend on outside sources, rather than on himself.

External aid also biases development strategy and methods of production towards unsatisfactory outside models, such as universities whose graduates remain unemployed or "national" airlines operated by foreigners in countries, most of whose citizens never travel. Such adverse repercussions on the basic determinants of progress are likely far to outweigh the marginal benefit of the lower cost of investible funds.

Relief of poverty is now a much evasively used term, and the one which most influences the genuinely compassionate. But Official aid has nothing to do with this. Official aid does not go to poor people, to the children with distended bellies, or to the skeletal figures so prominent in foreign propaganda, but to their governments. It goes to rulers whose position it strengthens and whose policies so often aggravate the lot of the poorest. These policies, notably the official spending programmes, are governed by the political interests of the rulers. The position of the poorest is low among their priorities, much lower than prestige projects, such as grossly wasteful industries or extremely expensive brand new capitals, witness Brasilia and Islamabad. Further, aid recipients spend

heavily on weapons directed against their own subjects or against other aid recipients (India, Pakistan, Algeria, Morocco, Ghana, Nigeria, Tanzania, Uganda). There are also other major anomalies here. Thus on the criterion of poverty a government qualifies for more aid if it restricts the opportunities of its most productive subjects or even forces them to leave as has happened in Burma, Indonesia, Vietnam, Ghana, Kenya, Uganda, Zaire and elsewhere. To subsidize governments on the grounds of the poverty of their subjects ignores alternative uses of the funds, and also prejudices both the effects of aid, and the spending patterns of the recipients.

It is also said that aid serves the political purpose of preventing the Third World from drifting into the Soviet orbit.

In fact, the large growing volume of aid channelled through international organizations (in which the Soviet Bloc often participates) is specifically barred from serving such a political purpose.

Another anomaly cannot be circumvented by giving official aid directly to the poorest. Except for disaster relief, this would be opposed and sabotaged by the recipient government. It also encounters other formidable problems, including the pauperization of the recipients, which could be avoided only by direct interference with local mores and conduct, unacceptable both to the people and to the government.

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The effective way to relieve poverty and distress in the Third World is through voluntary, non-politicized charities. As has been shown for instance by the Swiss, agencies can raise vast sums, especially if it is understood

that relief of need belongs to voluntary organizations, not to the state.

Another rationalization is that aid helps us, the countries which give it, because it promotes exports and thus provides employment for our citizens. This is like saying that it helps a shopkeeper to have his cash register burgled, if the burglar spends part of the proceeds in his shop. Aid is paid for by taxes, so that the taxpayer has less to spend on other goods. Direct employment subsidies would clarify the process, and also provide more employment for a given expenditure. The related suggestion that aid provides employment in the West by promoting long-term development, ignores alternative uses of the funds, and also prejudices both the effects of aid, and the spending patterns of the recipients.

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The Third World was invented by the advocates of foreign aid. It is primarily a collection of countries whose governments demand and receive official donations from the West. What else is there in common between the people, who promote it by effective administration, the performance of the essential tasks of liberal economic policies. This would reduce the effect of aid in politicizing life and would promote prosperity and reduce conflict. Liberal economic policies would help also to reduce tension between the Third World and the West, besides exposing the fictitious concept of a uniform Third World opposed to the West.

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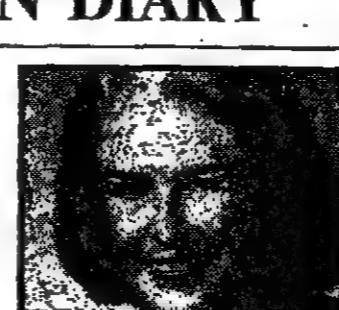
Reconsideration and reform of aid would thus help with a better understanding of the rich variety of two-thirds of mankind.

Unless overseas aid, its method of operation and criteria of allocation are reconsidered, aid will continue to pro-

Peter Bauer

The author is Professor of Economics at the London School of Economics and a Fellow of the British Academy.

LONDON DIARY



Mrs Waddes: right background.

secretary for four years in 1971.

She is divorced from her second husband Robert Waddes.

Earlier she had been a member of the Ontario Municipal Board, an administrative court

which hears land claims. The

job involved travelling three

weeks out of four, and so was

very independent, she said with a touch of nostalgia, when I visited the office where she

now regularly appears.

Before this drastic change of

life-style, she was given a cross-

country tour of Canada, talking

to businessmen and institutions

as well as to officials. "Not all

appointees get this opportunity,

but I can't recommend it too

highly", she said. It not only gave a feel of the shifts of mood and activity in the provinces, but put the names of prominent people in many walks of life at her fingertips. An idea to copy, money permitting?

Derelict areas

London's docklands. My eyes used to bounce lightly into the next column when I saw those words. Feeling guilty about my prejudiced ignorance, I happily accepted an invitation from a friend working for Tower Hamlets council to join a group of visiting French planners interested in the use of derelict ground.

The first thing to do is to look at a map. This reveals that the docklands consist not as I had vaguely imagined, of sprawling whole but a series of entities mainly jutted into the bends of the Thames.

Strange, isolated atmosphere in Wapping area.

What an area all those derelict areas presented, said the French. Paris had nothing like that.

No danger of planners staying here, they said wistfully, clearly underestimating the British talent for missing opportunities.

GLC, and already in an advanced state of redevelopment.

Magnificent re-vamped

Ironmonger's House, historic boats in the marina. Design of new GLC flats, opened recently, much admired by the French: such housing in Paris tended to be

très triste, they said.

On eastwards to

Le Monde
LA STAMPA
THE TIMES
DIE WELT

Europa

VOL VII No 3
AN ECONOMIC MONTHLY PUBLISHED IN
BRITAIN, FRANCE,
WEST GERMANY AND ITALY

Michel Boyer looks at the world trade triangle

The Third World, where East meets West

for many years East European leaders and Western businessmen have established commercial and financial ties which, in the absence of any questioning of the economic model, have been made both more necessary and more vulnerable by the crisis. The former need the machines and technology which make the factories of the latter run. However, this apparent balance of mutual interest has resulted in a trade deficit for the controlled-economy countries so that, having first increased their indebtedness, they have been obliged to buy less.

East-West cooperation has engendered a sort of complicity between the leaderships of the two camps but, if proof were needed, recent events have shown that it does not preclude international confrontations and conflicts, contrary to the beliefs of those who think that trade brings people together and makes for peace. Charles Levinson, the international trade unionist, offered a lucid critical appraisal of this type of cooperation in a book called *Vodka-Cola* which was a curious blend of detective novel and economic analysis.

The Third World has also provided the scene for industrial cooperation, whether or not described as "redeployment". While playing on the absence from this Western-Third World dialogue to place the blame for its failure on neocolonialism, the Eastern block countries have been involved in tripartite industrial operations in which they and Western companies have built factories in developing countries. This type of cooperation has been analysed on the basis of 192 case studies in a report published by the Bureau d'informations et de prévisions économiques (Bipe) and the Ecole des hautes études en sciences sociales, called *The role of East European countries in the international division of labour*.

The Third World accounts for about 15 per cent of the exports and 11 per cent of the imports of the countries of Eastern Europe, but the latter have lost ground over recent years and account for less than 7 per cent of the imports and 4 per cent of the exports of the developing nations. Between 1970 and 1975, European imports from the Third World rose more rapidly than exports—a reversal of the

trend recorded between 1965 and 1970. The controlled-economy states, which use their surplus with the Third World to offset their deficit with the West, have accordingly endeavoured to resolve their difficulties by resorting to three-sided cooperation on an enlarged reproduction of East-West industrial cooperation, the main development of which has been seen since 1965.

The report points out that, in practice, tripartite industrial cooperation "does not seem to reflect the vicissitudes characterizing the fortunes of détente". This is for the two reasons that "the field of action is primarily micro-economic" and therefore below politics, and that "industrial redeployment is considered as a necessity".

Ideological considerations have been relegated to the background. Apprehensions are kept up, but that is all. Unacceptable in ideological terms, East-West-Third World cooperation is greeted by silence in the Soviet press, which maintains its traditional denunciation of Western exploitation of the Third World. It is the subject of no official comment in Russia, although the situation is different in other Eastern block countries—nearly Poland and Hungary—which together account for more than half of the transactions of this type in which the Eastern block is involved.

Nevertheless, the Soviet Union, after a period of "mis-trust tinged with embarrassment", has shown increasing interest in a formula now tested in the field by its satellites. Western engineers and East European firms have cooperated in the construction of industrial complexes in many countries, with the greater or lesser involvement of local companies, projects which bear no relation to political objectives. Logically enough the oil-producing countries of Algeria, Iraq, Iran and Kuwait have been the site of a high proportion of these three-sided exercises.

There have been a number of large capital projects (hydroelectric for instance) in Latin America, but there have been fairly few in Africa (in countries such as Nigeria, Cameroun and Guinea), since each side prefers to maintain its sphere of influence in this part of the world. In Asia this type of activity has been heavily concentrated on India.

Rising hydrocarbon prices

amounted to \$35,000m.

Debts mount as growth continues

We enter the decade of the 1980s with a world dominated by inflation psychology. Inflation continues to be the major concern of most monetary authorities and is considered to constitute the most serious threat to the citizens of individual communities. In Britain inflation is believed to be heading for a 20 per cent peak during the first half of 1980. In Italy and France inflation rates are 17 per cent and 11½ per cent respectively.

While only the United Kingdom, Italy and France are struggling with double-figure inflation, lead economic indicators in other major economies clearly suggest that others will soon join the struggle. In 1980 progresses against a background of rising oil prices and monetary growth targets that are being exceeded in one country after the other.

Since the depression of the 1930s there has been a phenomenal rise in the global debt structure while, over the past two years, that rise in the debt structure has spilled over into consumer areas. The rate of increase in debt has outstripped production by enormous margins while consumer debt is now growing at levels which far exceed income growth throughout the European community.

It would be totally unrealistic to expect such heavy consumption of debt, both on an international basis and in the domestic consumer areas, to continue for much longer. It would also be foolhardy to believe that interrelated government policies are suddenly going to emerge that will pull the world economy out of its self-feeding malaise. Today's global imbalances have resulted from several decades of excessive and unwise actions. Further interference from any central government will only hinder the necessary free market correction.

Most economic advisers have come to the conclusion that, in order to curb inflation, monetary growth must be restrained. Conventional wisdom and classical monetary theory indicate that the way to exercise monetary restraint is through the interest rate mechanism. As a result, inflationary madness in Europe and elsewhere has led to a competitive war of interest rates. Most notable was the 3 per cent rise in the United Kingdom's minimum lending rate while the Central Bank discount rates were also raised in Norway and Sweden at the end of the year. While interest rates in the United States, France and Germany appeared to be stabilizing, interest rates in other areas were trending distinctly higher.

Yet, in spite of record interest rates and the extensive use of the interest rate mechanism, money supply in most of the major economies continued above established targets and appeared to be financing inflation rather than serving to cure it. In Britain the monetary aggregates were clearly out of control. Although there was a slight improvement in the November banking figures, the October figures were nothing short of disastrous. The annualized growth of sterling M3 stood at 24 per cent while the growth in bank lending to the private sector had reached the excessively high figure of 35 per cent.

Furthermore, as a result of the crisis between the United States and Iran, the threat of a global banking crisis is more of

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North Sea oil has enabled Britain to combine a high inflation rate with a strong currency, to the detriment of British exports, says Sir Ian Gilmour, Lord Privy Seal and, in effect, deputy Foreign Secretary. Although he has

written two books on Conservative thinking, and was formerly editor of the weekly "Spectator" magazine, Sir Ian is exceptional among politicians in being a man of few words. He talks here to Roger Berthoud

Budgetary reform would absolve the scapegoat

Have you always been what could be called a good European?

I hope so. Even the best Europeans in Britain are nowadays critical of certain aspects of the EEC. Do you see advantages in this slight depreciation, form of reduction of the gap between the pro and anti factions?

No. No institution is perfect, and there are obviously aspects of the EEC which it is right to be critical of. When we, as I hope, get our budget problems solved, I think you will find the beginnings of a new attitude. One tends to forget that at the referendum (of 1975, on EEC membership), two thirds of the country voted for Europe.

Before last year's general election, the Conservative manifesto promised: "The next Conservative government will restore Britain's influence by convincing our partners of our commitment to the Community's success." Do you think the Government has made much progress towards that end?

I think we have made progress. They do realize we are totally committed to the Community, and dealings with us are more fruitful for the Community, and for us, I think, than they were under our predecessors. But of course we have not been there very long yet, and the budget has taken up a lot of our effort.

What sort of a "leading and constructive role", to quote the manifesto again, would you like to see Britain playing in the EEC?

A leading and constructive role in political cooperation and also in restructuring the budget and making it a more rational thing; and dealing with the excesses of the Common Agricultural Policy.

You have written in your most recent book that patriotism need not exclude internationalism. But given the problems besetting Britain and the EEC, is there any hope of rekindling enthusiasm for the European idea?

I think so. Only partly through faults of its own, Britain missed the greatest period of the Community during the 1960s. As a result, the period we have been in the Community has coincided with the period of world slump and inflation; and, largely, with an unsuccessful Labour government. Therefore people have tended to associate these things with Europe. So I think in the future, once we have begun to put our own house in order and to solve our budget problems, the European idea will take on a very different hue.

This, then, is not real cooperation, but East-West action in the third country, especially since the industrial complex they build is more likely to produce for export markets than to make a positive contribution to the industrialisation of the country concerned. Thus Eastern and Western imperialism are combining to accentuate the dependence of the developing countries.

How closely-knit an EEC would you like to see?

I do not believe in working towards an institutional goal. Everyone has a scapegoat: there is one, usually. The EEC is one.

How closely-knit an EEC would you like to see?

I do not believe in working towards an institutional goal. I prefer to let institutions evolve.

I think the EEC is something unique, *sui generis*. Therefore I do not believe we should think either in federalist or confederalist terms.

Is the present confrontation between the super-powers over Afghanistan an example of the political benefits of Britain belonging to the Community?

Yes. What has happened in Afghanistan reinforces the need for Western unity, and Britain being in the Community is a necessary part of that unity.

How have our partners viewed the British Government's efforts, in which you were heavily involved, to guide Rhodesia to independence?

I think they regard them favourably, and are relieved at what has happened. The Commission has been particularly helpful over Rhodesia. As a result of their efforts, the Council of Ministers has agreed to a favourable trading regime with Rhodesia, giving it the privileges of being a dependent country. It will get free access for its tobacco, industrial products and so on.

To come to the negative side: are we any nearer to a solution to the problem of Britain's excessive budgetary contributions?

The Dublin Council pointed the way forward. On the contribution side £350m was suggested, though not finally agreed, and the Dublin communiqué enjoined the Commission to find ways of increasing Britain's greatly inadequate receipts from the Community.

No, because the money should be spent on communautaire purposes.

Is it not really our fault that we import too much and export too little?

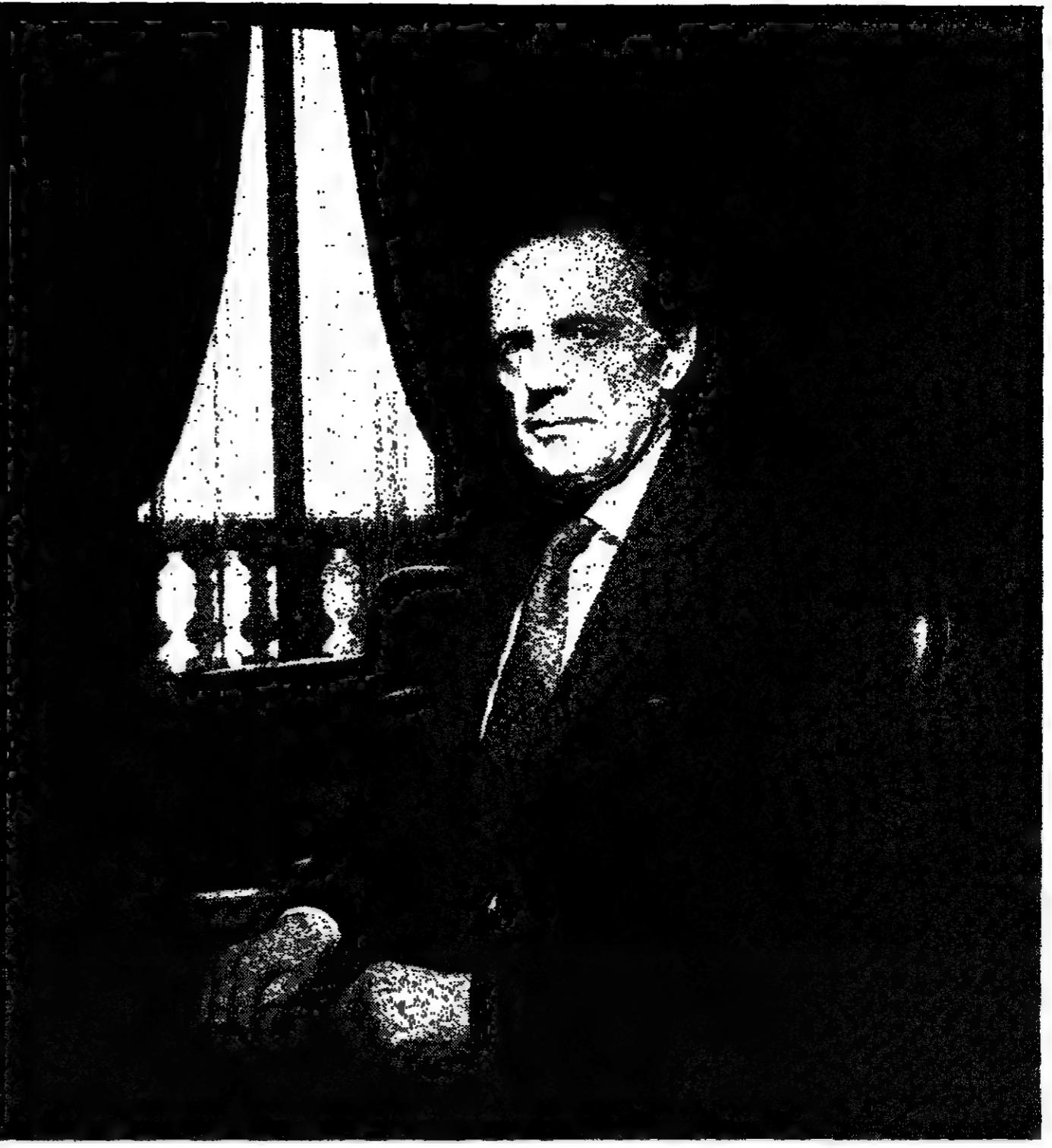
If you say we import too much in general and export too little, yes. It's the result of our economy being in decline. We have not produced enough, and have been buying too much. But it's not true vis-à-vis the Community.

Given our good fortune in having North Sea oil, do not some of our partners find our lack of poverty unconvincing?

Furthermore, as a result of the crisis between the United States and Iran, the threat of a global banking crisis is more of

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written two books on Conservative thinking, and was formerly editor of the weekly "Spectator" magazine, Sir Ian is exceptional among politicians in being a man of few words. He talks here to Roger Berthoud



But it helps the balance of payments?

It does in one way, by stopping us having to import so much oil. But by forcing us to have our currency so artificially high, it hurts our exports very much.

Do some of our partners think we have been cashing in on the Opec price rises?

I think there was some misapprehension about this, but less so now. North Sea oil has been sold as market prices. If it is not, somebody else is going to sell it at market prices. In other words, some dealer is going to make a great deal of money out of it.

With the CAP's surpluses at the heart of the budget problem, why has the British Government seemed to be so hostile to the Commission's attempts to reduce the surpluses, as in the dairy and sugar sectors?

We have not been hostile to their attempts. It is just that we do not believe some of the methods they proposed to be well suited to the problem. Indeed the dairy levy, as originally proposed anyway, would have damaged Britain very badly.

Do we like Mr Heath's Government in 1973, favour a larger regional development fund as a corrective?

Yes. We favour, in the restructuring of the budget, a larger regional fund and smaller funds elsewhere.

Take from CAP and give unto regional, so to speak?

Are we looking for a new type of Community policy, one which benefits Britain exclusively?

That is one way of doing it. Otherwise, if you are going to spend funds everywhere, you are going to run right through the 1 per cent (of VAT) limit. If the problem is lack of receipts in Britain—which it is—you can deal with it only by increasing receipts in Britain. Isn't that non-communautaire?

No, because the money should be spent on communautaire purposes.

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the advanced economies of the United States and Japan?

It could happen if we did not take steps to adapt our industries. But I trust Europe will not allow that to happen.

But there is a tendency that way already, is there not: in steel, for example?

It is to some extent happening in the United States as well. Do you think some of our problems in relation to the EEC, and indeed our economic problems generally, stem from the era when our trade was geared to the safe markets of the Commonwealth?

Part of our general economic problem is that we have been in industrial decline for some time.

And partly because we had the Industrial revolution first, and our industries were less thoroughly destroyed in the last war than some of our competitors?

I always feel that argument can be overdone. It is not necessarily a tremendous advantage to have everything destroyed. I think there has been a slight failure of will.

We take part in everything

to do with the EMS except the

exchange rate mechanism. First we want to see the full effects of having removed all exchange controls. More important, we are still not clear what the effects of being a petro-currency.

In what way?

In spite of a high inflation rate, your currency may go up in value mainly because you happen to own oil.

How do you view the prospect of Greece joining the Community next year?

Very favourably. I proposed the second reading of the Bill of ratification.

But there are some potential snags, are there not: for example, the number of linguistic staff in the Community institutions will increase still further, will it not?

I think the political gains will outweigh the disadvantages.

Do you share Mr Roy Jenkins' fear that Europe may be squeezed between the industries of the emerging developing countries, like Korea, and

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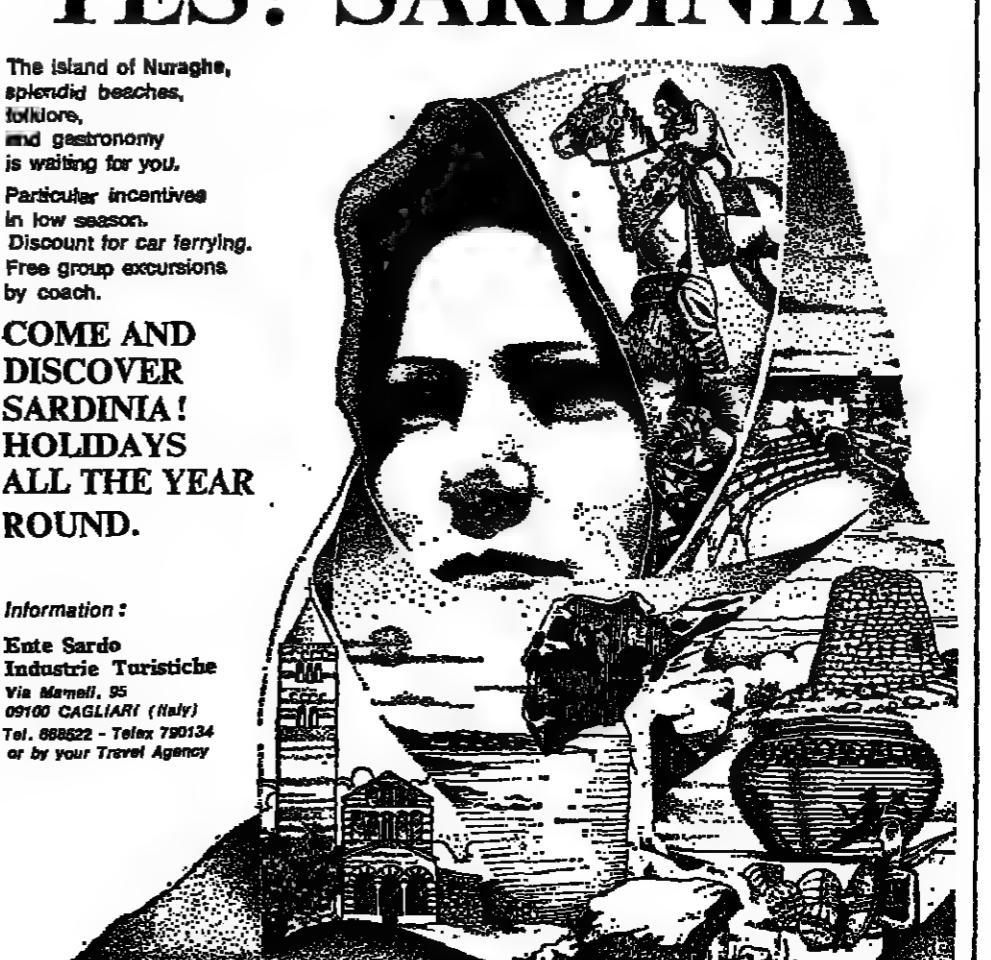
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Facts and figures

Balance of payments position worsens

previous performance	rate of growth	quality of growth		maintenance of growth	
		prices	unemployment	productive foreign capacity	foreign trade
excellent	● ● ●	● ● ●	○ ○ ○	● ● ●	● ● ●
good	● ● ●	● ● ●	○ ○ ○	● ● ●	● ● ●
satisfactory	● ● ●	● ● ●	○ ○ ○	● ● ●	● ● ●
poor	● ● ●	● ● ●	○ ○ ○	● ● ●	● ● ●
very bad	● ● ●	● ● ●	○ ○ ○	● ● ●	● ● ●

With the oil price increases beginning to bite, attention is once again focused on balance of payments positions. In the four European countries visible trade balances have been deteriorating.

This has been going on for nearly a year in West Germany and since last May in France. It is a more recent phenomenon in the case of Italy, which suffered a record deficit in November. Britain is also threatened, although the statistics are distorted by the effects of strikes.

The countries with strong economies, West Germany and Japan, which have been producing exceptional surpluses to the irritation of their trading partners, are now much less well placed. West Germany's visible trade surplus has been eroded considerably, to only DM21,700m for the first 11 months of 1979, against DM37,400m in 1978.

But a much more significant figure, which is unfortunately published less frequently, is the current account balance of payments, which includes not only the visible imports and exports recorded by customs statistics, but also invisibles (services and so on), which are an increasingly important factor in the overall balance. There the deficit

recorded so far for 1979 is almost DM9,000m and, according to Herr Karl Otto Pöhl, the new Governor of the Bundesbank, it is likely to amount to DM12,000m for the full year.

As for the current account balance of payments, it shows a \$9,000m deficit for the first 11 months of 1979, against a \$15,000m surplus in 1978.

What accounts for this reversal? Herr Pöhl attributes it to the rising cost of oil imports, which exceeded DM50,000m in 1979. Oil has indeed been a factor here as elsewhere. West Germany is less dependent on imports of energy supplies than France, and still less than Italy and Japan, but the effect of rising oil prices has been so great because there was no repetition of the pattern in 1978 when the rising exchange value of the Deutsche mark helped to offset higher oil costs.

In 1979 activity in West Germany was appreciably more buoyant than in the other industrialized countries, as is borne out by the most recent official statistics showing a 4.4 per cent growth in gnp (compared with 3.7 per cent in France and 2.3 per cent in the United States) which caused imports to rise more rapidly than exports.

In Japan the deterioration has been even sharper. The trade balance is heavily in deficit, with a record \$2,000m

in November, and according to Mr Haruo Miyakawa, Governor of the Bank of Japan, it is likely to get worse during 1980.

As for the current account balance of payments, it shows a \$9,000m deficit for the first 11 months of 1979, against a \$15,000m surplus in 1978.

Here again, higher oil prices naturally get the blame, although Japan has succeeded in reducing its heavy dependence on energy imports, as was pointed out in a recent report by the Japanese Ministry of Industry and International Trade. But other factors have undoubtedly contributed to this decline, as in the case of West Germany.

The first of these is the sharp fall in the exchange value of the yen, which has lost over 30 per cent against the dollar, causing a proportionate rise in the cost of imports. The oil account has been further increased by unofficial buying on the part of Japanese companies, said to be the biggest speculators on the free markets in Rotterdam and elsewhere.

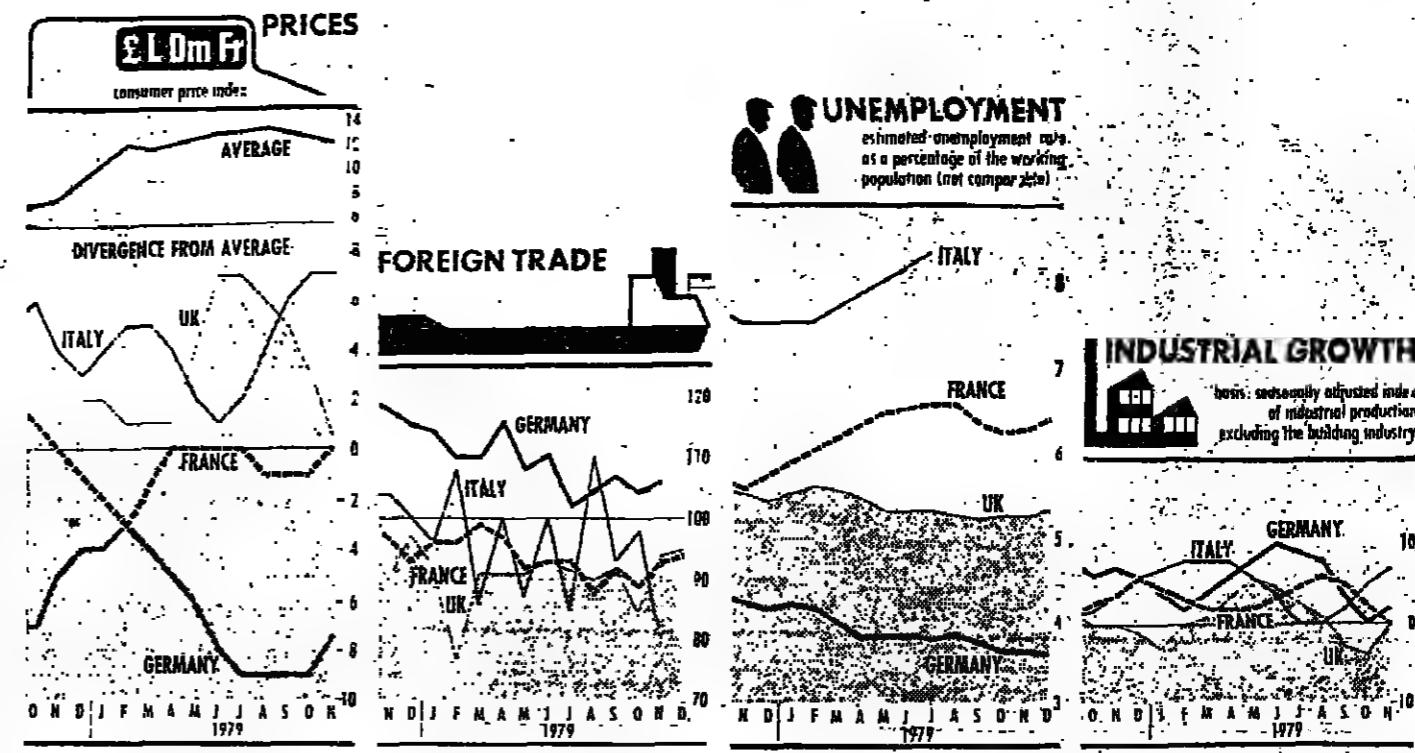
The second factor was the growth rate for 1979-80 which, at 6 per cent, was the highest in the industrialized world and boosted imports. Finally, just before the announcements of

oil price rises, Japan yielded to pressure from its trading partners (who were irritated by its recurring surpluses) by agreeing to adopt a wide range of measures (such as imports of strategic materials) which are now adding their effects.

Paradoxically, the less strong economies and even those rated among the weak have fared relatively well in absorbing the impact of the oil price rises. The case of France is particularly interesting to analyse. Despite an increase in energy expenditure from 62,000m francs in 1978 to 83,000m francs in 1979, that country has managed to keep its deficit down to 10,000m francs in 1979. It achieved this by dint of a notable 20 per cent increase in exports, a performance which placed it just ahead of Japan, as the world's third largest exporter.

The November and December results came as a pleasant surprise, even to M Jean-François Deniau, the Minister for Foreign Trade. In contrast to West Germany, France had a balance of payments surplus of some 10,000m francs in 1979 which it owed to its invisible earnings (large construction projects, engineering and so forth). This strengthened the franc and consequently blunted some of the effect of the oil price rises. Matters were admittedly made easier by a slower growth rate than West Germany's, but this does not detract from the merits of such a return to the virtuous circle.

Italy too managed to sustain a succession of satisfactory performances through most of 1979 and, moreover, these were rather surprisingly combined with a high level of activity reflected by an increase of about 4.5 per cent in gnp. The best results were obtained on the current account balance of



Prices: The average inflation rate for the four Europa countries has registered a further rise, from 12.5 per cent to 12.1 per cent. The main reason for this improvement goes to Britain, whose rate has come down to 13 per cent. There has been no change in France (12 per cent) or Italy (20 per cent); but West Germany has suffered a sharp increase from 3 per cent to 4.5 per cent. These rates are calculated on the basis of the past three months. The year-on-year figures are 5.7 per cent for West Germany (or 5.4 per cent using the new index), 11.8 per cent for France, 17.3 per cent for Britain and 19.8 per cent for Italy.

Foreign trade: Cover of imports by exports (calculated basis) expressed as a proportion of the working population fell further in West Germany from 94 per cent to 95 per cent between November and December, and in West Germany and December, and in France from 93 to 94 per cent.

Unemployment: Between November and December seasonally adjusted unemployment expressed as a proportion of the working population fell further in West Germany from 104 per cent to 105 per cent from October to November. Italy, on the other hand, suffered a sharp fall from 99 per cent to 82 per cent, with a record deficit of 15,000m lire in November.

Growth rates: Between October and November the industrial growth rate was unchanged in France (nil), recovered slightly in West Germany (2 per cent) and accelerated in Italy (7 per cent). In Britain it has recovered after the decline of previous months.

not only because of the higher cost of oil resulting from the increases announced before and after the OPEC meeting in Caracas, but also from the launching of new offensives by the EEC.

More recently the trade balance has suffered from a decline in exports under the combined effects of strikes and the erosion of British products' competitiveness by rampant inflation coupled with a sharp rise in the exchange rate of sterling. British employers are worried and their concern is reflected in the distinctly protectionist appeal which they recently addressed to the EEC.

In 1979 European countries, even the weaker ones, managed to maintain their external positions. Their task promises to be much more difficult in 1980.

Maurice Bonnensath

Unemployment and moonlighting

Two in three pessimistic about work



Unemployed youths in West Germany; job availability often does not measure up to their aspirations.

More than a third of the people who had gone through a period of unemployment or unsuccessful job-hunting during the past three years said they had never registered and half said they had never received any unemployment benefit or other financial aid from the public purse. Analysis of the replies of those people who had never experienced employment difficulties and those who had.

Until now there have been no statistical data on the extent of practices such as moonlighting and informal work in the Community. Judging from the experience of the public as reflected in this survey, informal

work is almost as widespread as overtime, and moonlighting is not uncommon.

Opinion is divided on these practices. It is broadly in favour of overtime, distinctly hostile to moonlighting, and almost equally divided on informal work. Those with experience of unemployment are no more hostile than others to either moonlighting or informal work, but they are much more firmly opposed to overtime. Italy is the country where these practices are most widespread, although most workers were hostile to them.

In Ireland and Britain, which follow immediately behind Italy on this score, opinion is strongly in favour of overtime and less hostile than elsewhere to moonlighting. West Germany is strongly in favour of informal work and it is the country where moonlighting is least common. France is apparently the country where these three formulas are least widespread; opinion there is decidedly hostile to moonlighting, broadly

against informal work and in favour of overtime. It is widely agreed that it is bad advice to recommend the unemployed to seek informal work or to compromise on the type of job they hope to find and that it is better to encourage them to learn a new trade and moderate their demands.

Women and young people are worst affected by unemployment. Discrimination by employers against women is most marked in West Germany, Italy and Denmark. The main reason quoted in Italy, West Germany and Luxembourg was the decline of industries employing a high proportion of women, whereas in Britain, The Netherlands and France it was their lack of training. In Belgium, by far the most common explanation was that many women considered themselves better off drawing benefit than working.

Regarding youth unemployment, one reason predominates: employers' preference for recruiting employees who

already have experience. But the failure of available employment to measure up to the aspirations of young job-seekers is another widespread difficulty, especially in West Germany. In Italy, France and Denmark employers' reluctance to create new jobs is an important factor. In Britain some of the blame is attributed to the lack of vocational training both for the young and for women.

The worst things for some, one unable to find work are the lack of income, the loss of self-confidence and the prospect of family difficulties. Fear of social opprobrium is extremely rare. The possibility of being ill-judged by friends and acquaintances counts for little. As Mme Riffault writes: "It would be interesting to have access to answers to the same question asked 10, 25 or 50 years ago to be able to measure the development in attitudes on this aspect".

Jacqueline Grapin

A look at commercial organizations

How help is given to keep foreign trade flowing

The total value of the foreign trade of the four leading powers in the European Community—West Germany, France, Britain and Italy—now exceeds \$600,000m a year.

This figure covers at least a quarter of all world trade and where exports alone are concerned, corresponds on average to about 22 per cent of each country's gross domestic product, from 16 per cent—the lowest figure—in the case of France, to the top figure of 23 per cent, in the case of Italy (OECD figures for 1978). Yet only two of these four countries, France and Italy, have a Ministry for Foreign Trade. In Britain there is a single Department of Trade, which has a number of "mixed" departments, and a British Overseas Trade Board. In Germany, foreign trade is the responsibility of the Ministry for the Economy, although its foreign trade amounts to more than \$200,000m a year. This makes West Germany second in the world after the United States.

This snobbery where foreign trade is concerned is obviously more apparent than real, but it still indicates a certain detachment, which is reflected also in the supporting bodies that assist, or could assist, the public administration in running and promoting foreign trade. In fact, only France and Italy have a public or at least a semi-official organization to assist the Government in keeping foreign trade flowing.

In Britain, the organizations mentioned concern themselves with export credits and guarantees, market research, and arrangements for British firms to take part in trade fairs and exhibitions abroad. There are also about 15 regional offices which keep in touch with local firms which are interested in exporting. In the various ministries, from the Ministry of Agriculture to the Ministry of Health, there are offices with a special interest in exports in their own sectors. The bilateral, or mixed, chambers of commerce—Anglo-American and so on—are also involved. The overall organization works well enough, but the commercial councils, which are semi-official organizations to assist the Government in keeping foreign trade flowing.

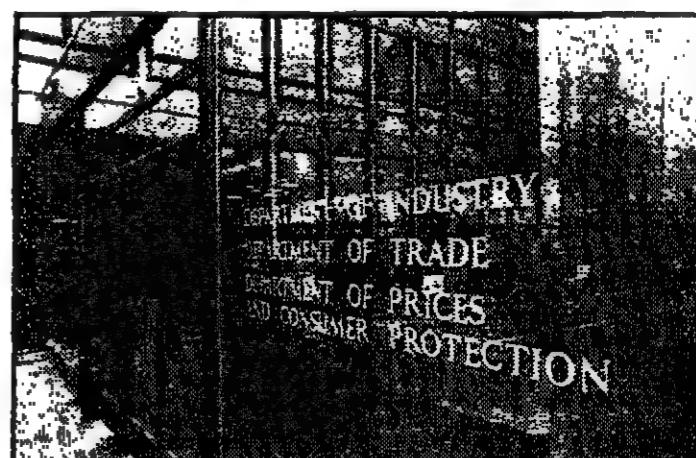
In France, the organisations concerned with foreign trade are the Centre Français du Commerce Extérieur, which acts as a connecting link between the public administration on the one hand, and exporters on the other. The main link is with the Ministry for Foreign Trade, at political level, and the Department for Foreign Economic Relations—which is part of the Ministry for the Economy at operational level. The commercial councillors, who form part of the Ministry for Foreign Affairs, if they are located abroad, or the Ministry for Foreign Affairs, if they are in France, form another solid link with the public administration.

The centre, in fact, has no offices abroad, but has its own representatives who work in the commercial offices in the embassies. Finally, the centre liaises closely with the departmental staff of the various ministries, for example the Ministry of Agriculture which, also through the ambassadors, provide and receive commercial information and organizational initiatives.

On behalf of exporting firms, the French centre is in direct contact with the various firms and business organizations concerned, including export chambers of commerce. There are seven regional representatives of the centre for this purpose, working by groups of regions, and connecting the sectoral and professional trade associations. This system is based on the American model recently introduced by President Carter, who organized special commercial offices directly responsible to the Ministry of Foreign Trade.

The responsibilities of the French centre are clearly defined, and shared between four departments: information, the promotion and oversight of fairs and exhibitions abroad, geographical and sectoral relations, and exports of agricultural products. In addition, the centre looks after arrangements for export credits, organizes the conclusion of commercial agreements between France and other countries, and negotiates the large turnkey contracts which are of special economic importance.

It is a very active network, since three-quarters of German foreign trade and more than 90 per cent of investments in both directions are carried out with countries where these chambers of commerce are located. The motto



is therefore: "Where there is no bilateral chamber of commerce, there is nothing of any commercial interest to Germany."

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The Italian Institute for Foreign Trade (ICE) is a semi-official body formed during the last war, almost exclusively

Mario Salvatorelli



Demonstrators outside the United States Embassy in Tehran display messages intended for American newspaper consumption.

Debts mount while growth continues

continued from page 1

a reality than most are willing to consider. Supposedly, the Iranians are in debt to United States banks to the extent of \$6,000m. Assets that have been sequestered by the United States in domestic and foreign branches are said to total \$12,000m.

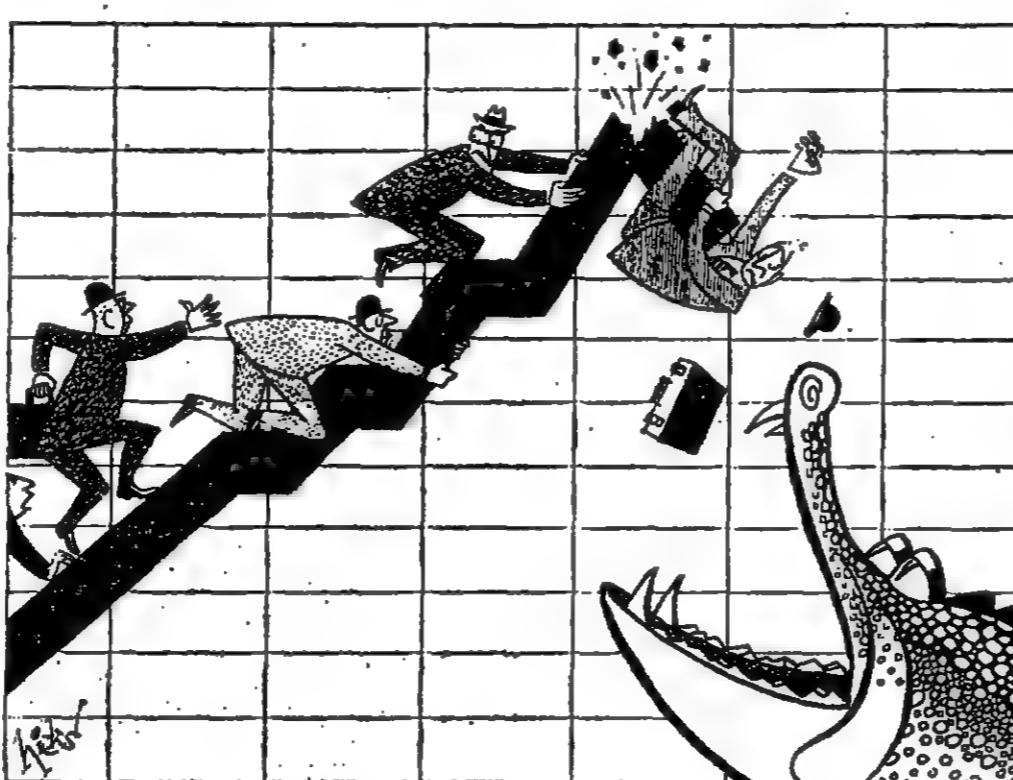
It is believed that Iran intends to default on the \$6,000m in loans while withdrawing the total \$12,000m and placing it in other currencies and in banks outside the United States. The net result will be a withdrawal of \$18,000m from the United States banking system which, without any doubt, would trigger a chain reaction among bankers with outstanding Iranian debts.

While banks in the United States, Germany and Switzerland have the greatest exposure to the \$6,000m in Iranian debts, those who are ultimately affected will cover a far wider range. Most international banking syndicates have participated in Iranian loans with United States banks and it is doubtful if any lending banker will escape the consequences of a world banking crisis.

Clearly, many of the smaller banks will face a moratorium which will exert pressure on the larger banks. It must be remembered that the sums involved make the property banking crisis of 1974 in the United States and the United Kingdom resemble the debt position of a local fish merchant by comparison.

Adding to the threat of an international banking crisis is the widespread belief that the international banking system has been travelling along uncommercial paths merely to keep potential defaulters afloat. There has been a marked tendency to seek deposits from the rich oil-producing nations and then to recycle short-term deposits on a long-term basis to lesser developed countries for the purpose of rescheduling debt. Throughout history the formula for a banking crash has always been "borrowing short and lending long".

In the United States, Japan and Europe, bankers are being told by their regulatory agencies that it would be dangerous



and Milton Friedman agrees upon, it is that oil price rises are deflationary. Mr Galbraith says it in the last chapter of his book on money. Milton Friedman says it on every possible occasion.

It has been estimated that oil price rises account for 25 to 50 per cent of total world inflation, figure which was agreed upon before the recent oil price rises in December. Yet this concept is totally incorrect.

Based on the most simplistic interpretation of the quantity of money theory, oil price rises involve the very withdrawal of funds from global economies.

These funds become non-productive and are not recycled.

The result is less money in the world economy to buy a gradually increasing supply of goods, exerting in turn a downward force on the price structure.

Of course, if governments decide to print money for financing oil price rises and monetary growth is extended beyond the growth in oil prices, the result is deemed to be inflationary, since more money is created to buy the same amount of goods, exerting an upward pressure on the price structure. However, governments have discovered in recent years that the process of deficit financing has become self-defeating.

The net result of excessive

monetary growth has been devaluation of the currency with Opec merely countering the tendency with further oil price rises in order to compensate for the decline in the purchasing power of the currencies in which they accept payment for oil.

Governments the world over

have decided to "bite the bullet", abandoning deficit financing, leaving the monetary system with a situation where oil price rises actually act as a multiplier to negative monetary trends.

In other words, we have less money chasing a fairly constant supply of goods and services, resulting from the transfer of wealth into uncharted Opec deposits and exacerbated by the difference between the level of monetary growth and the rate of consumer price inflation.

Present trends are bringing the global system to a lack of liquidity where further increases in the debt structure will create bad debts and a deflationary explosion. After decades of living beyond their means, communities the world over are now highly illiquid.

The cost of servicing debt, both on a national and international level, plus the need to retire outstanding debt, will place a serious burden on the entire world. People now find that growth in debt servicing has been climbing faster than incomes while the banks, too, have become illiquid. The

quality of bank earnings has sharply deteriorated while their equity to debt ratio has plummeted.

It is the illiquid state of the private sector in various economic systems that has been primarily responsible for the economic sluggishness of recent years. Free market forces are now emerging to correct the excesses and what we are witnessing is a gradual transition from credit expansion to (voluntary and involuntary) credit contraction.

Thus far, the worldwide recession is in its early stages and the extent of contraction has been confined to prime business corporations around the world. It is expected that present trends will result in a broadening of the process during the coming year.

In the months ahead government borrowing and private borrowings are likely to contract. When total borrowings contract and a portion of current income is applied to repay previous debt obligations, demand falls below the supply of goods, a development that leads to price deflation. Because the private sector of the important world economies remains formidable, the deflationary pressures resulting from credit contraction will more than offset the inflationary forces generated by the public sector.

Thus, even if fiscal deficits continue to rise, we have reached a state where the impact on prices could still be totally nullified by only a small percentage in the level of outstanding debt.

Outright credit contraction will become increasingly more pronounced as global recessionary forces gain momentum during the coming year. Domestic consumers will be forced to repay outstanding loans with reduced income in terms of purchasing power. Personal consumption will then be substantially reduced and bankruptcies in the private sector will proliferate.

Ordinary banks, beset by excessive bad debts, would have trouble surviving. But the experience of the 1930s is still fresh in the minds of the banking community and, as demonstrated by the bank run on the banking community by concerned bankers during the mid-1970s, central bankers can be expected to come forth as the leaders of last resort, but only for as long as an international banking crisis can be averted.

The possibility of global bankruptcy, deflation and depression seems more a matter of when than if. Deflationary forces which persist are far greater than anything we have ever seen in history, as is the colossal level of the global debt structure. Forces which could trigger such a catastrophe almost overnight are with us constantly. If the world does

experience severe deflation and depression during the 1980s it could well turn out to be the biggest economic debacle in history—and an important turning point is many of the trends that have characterized the human enterprise since the Second World War.

Economic forecasters who base their assessments for the decade ahead using straight-line projections on postwar trends, may find their forecasts going awry. Many will argue that a depression on the scale of the 1930s and inherent deflation can never happen again.

They will claim that the environment today is totally different from that of the 1930s and we have a regulatory mechanism provided by governments that would prevent the recurrence of a debt liquidation on such a scale.

The Keynesian economics and monetary measures of the 1950s and 1960s are cited as evidence that recessionary forces can be controlled. This is a complete fallacy.

The environment of today, while much changed from the 1930s, is equally irrelevant to the environment of the 1950s and 1960s. During the 1930s the global economy was seemingly travelling uncharted territory and international bankers were taken by surprise.

Once again we are in a position which appears without precedent. There is strong indication that the mechanism designed to cope with otherwise recessionary forces will be totally insufficient to cope with the deflationary potential in world economies at this time.

Serious depressions are totally reliant upon the fact that very few prepare for them or acknowledge the possibility.

Governments, businesses and individuals should begin to consider how to prepare for the threat of massive deflation simply because the eventuality would clearly have enormous consequences.

The importance of contingency planning would appear only sensible. There are, of course, many individuals who believe that, if we think about a depression we will bring it about.

Doubtless there are equal numbers who believe that deflationary planners may bring about thinking about the possibilities.

But planning and defensive measures will certainly not bring about a global depression; instead planners may be able to calculate ways to mitigate the effects if global forces become inexorable. It will be those governments and economic advisers who refuse to recognize the deflationary potential that will bring the worst havoc upon those who have entrusted them with power.

Robert C. Beckman

Investors Bulletin

More take the Tito line away from Moscow

How does Yugoslav decentralized socialism work, with its worker councils and delegates system? Is it a new political model, or is it only an adaptation of classical Leninism of the Soviet kind?

The answer to such questions must be somewhat complex, for even many Yugoslav Communists—including top party leaders—often contradict themselves. What is certain however, is that the Yugoslav model is the historical outcome of the conflict between Belgrade and Moscow.

When President Tito stood up to Moscow in 1946, and Yugoslavia was expelled from the Cominform (the association of Communist parties under Soviet control), which was then being the political and economic system in Yugoslavia was still an almost exact copy of the Soviet model. President Tito was then at the head of what was to all intents and purposes a Stalinist state and of a Stalinist party which in its organization at least was on Stalinist lines.

The Yugoslav Communists immediately proceeded, after the break with Moscow, to make a virtue out of necessity by seeking ideological justification for their sudden change of course.

They fell back on the anti-

capitalistic, syndicalist and co-operative traditions of the working-class movement.

It is no coincidence that Soviet criticism of the Tito line later made internationally common currency of the expression "Yugoslav revisionism".

For President Tito—or rather his ideologically schooled lieutenants Kardelj, Kadić, Bakarić and Đilas—attempted to support every new policy development in the Socialist and Communist movement which had been blocked by Stalin and the organs of Soviet despotism.

So it was that they lighted on the magic formula of "worker councils", which were to take over factory administration from the central bureaucracy. The first law on worker self-management was promulgated in 1956. This meant that for the first time in any Communist country industry was accorded the right to be managed internally common currency of the expression "Yugoslav revisionism".

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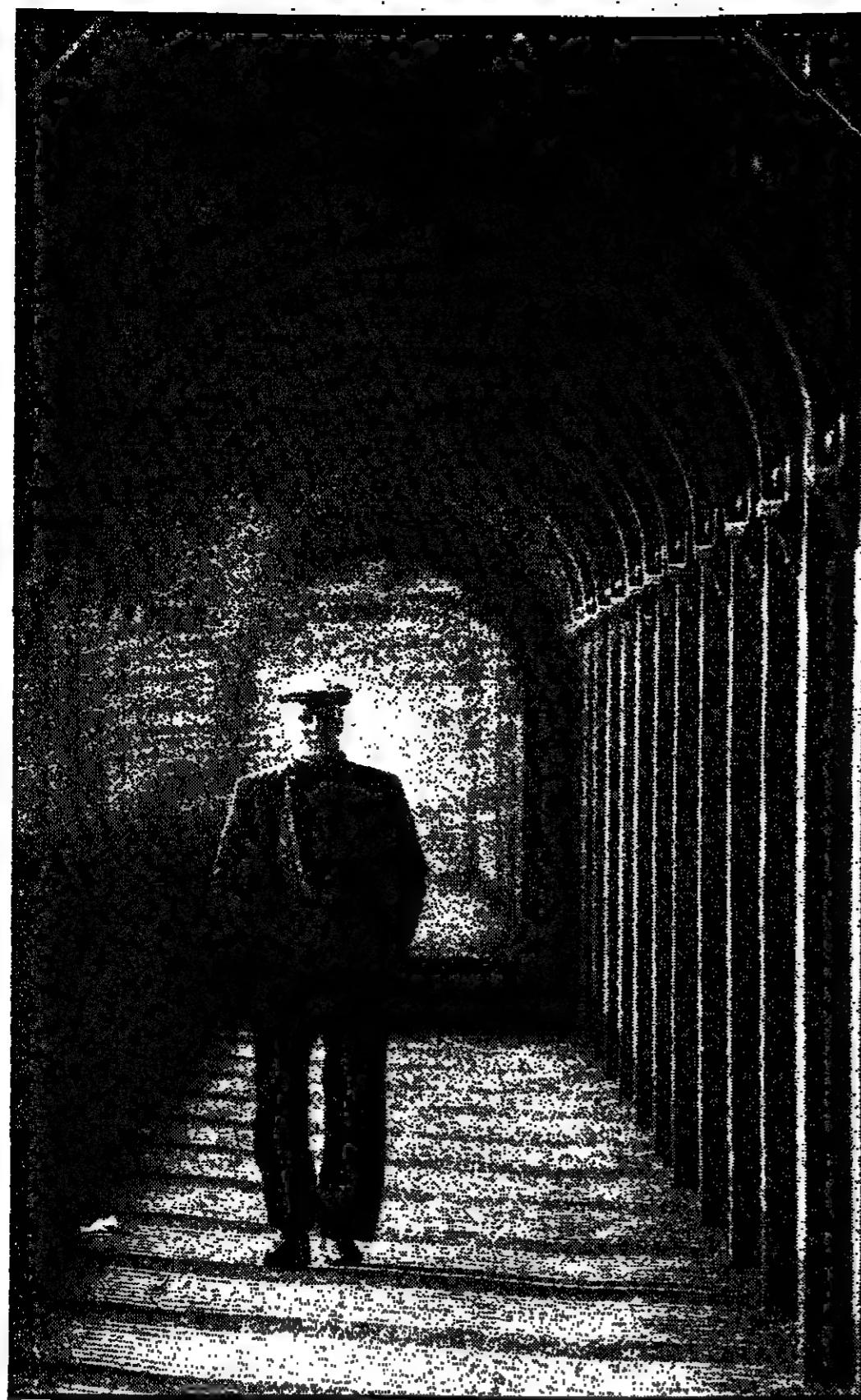
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Personal spending and leisure habits still vary greatly among the European Community nations, despite modern consumer pressures towards uniformity. This is one of the conclusions of my research for a new book* on life in Europe today, based on lengthy visits to Stuttgart, Bologna, Toulouse and Newcastle.

The variations depend as much on local tradition as on income levels. In a word, the wealthy but thrifty Swabians of Stuttgart put the accent on home comfort and savings; Toulousains and Geordies (in Newcastle) are each in their different styles great hedonists, spending zestfully on passing joys; Bolognese base their pride on elegant outward display (*bella figura*).

A Geordie might be amazed at how much of his income the average Bolognese devotes to new clothes. A middle-class man will buy two or three suits a year and several pairs of shoes; a Geordie may keep his shoes till they wear out, and buys one suit a year at most. This is a matter of social values, more than the fact that Geordies have less spending money.

"If I didn't dress well", a Bolognese girl said, "I'd be an outcast. I'd no longer be invited to parties. People stare at you horribly if you're outrageously or comically dressed. But when I was in Britain I saw that in one minute."

In Bologna's streets, the elegance is striking—women in furs and jewels, men in carefully-knotted silk ties. Even bambini are decked out as family status-symbols; Bang Bang Baby boutique does a profitable trade in chic velvet coats for six-year-olds.

In Newcastle, most older people look dowdy; only the young try to be trendy, but in the popular fashions of a year or two ago. "Now styles catch on a year later than, say, in Leeds or Manchester," one boutique-owner said.

Swabians, if with less flair and passion than the Bolognese, also indulge in expensive clothes, in a heavier style; and social acceptance, as in Bologna,

may depend on dressing in the right convention. "I must be smart but not conspicuous," said one resident; "the ideal here is to be decent". In Toulouse, a more casual style is catching on, yet with its own conventions. For a party, on the Continent everyone knows what to expect and dresses in much the same way; in Newcastle, scruffy old jerseys, Savile Row suits and flowery open shirts will be downing them brown ale or gins-and-tonic together and no one worries.

Geordies I have called "happy sing-song hedonists in a gastronomic desert". They care even less about food than clothes, and spend less of their income on it than in the other towns (the tiny handful of passable restaurants are Indian and Italian). But they do know how to have fun, at modest cost. Despite pub closure at 11 pm, Newcastle has the liveliest night life of those towns—a many-teams of discos and bingo halls, amateur drama, folk music groups, beer-sing-songs in pubs and working-men's clubs, and much amateur banter. Add to this the English passion for hobbies, with scores of local meetings of whipper-racers, dahlia-growers, brass-rubbers and the like. Geordies may lack the Latin grace, but they make up for it in exuberance—partly perhaps to compensate for the bleakness of their decaying industrial surroundings.

Sun-soaked southerly Toulouse also bubbles at night, in a more open-air style. The big terrace-cafés are still full at 1 am; bearded guitarists sing Occitan ballads in dim-lit caverns; and much serious eating is still done, despite the intrusion of hybrids such as "le Grill-Pub" and other fast-fooderies.

Pleasure-loving Toulousains spend their leisure time and money on food, sport, culture, travel. Like the rest of France, they have suddenly rediscovered a passion for music, especially classical; and tennis, swimming, even squash, find their place, beside the hallowed local traditions of boules and *le rugby*. Many families own a secondary

rural home—twice as many as in Bologna, 10 to 15 times as many as in Stuttgart or Newcastle—and to these they spend off every weekend, or else to the sea or mountains. Even with petrol now at \$3.30 francs a litre, motoring is still a major obsession with the restless Toulousains.

The Bolognese are more sedentary (perhaps because they are even more weighed down with rich food). This is the world capital of pasta, Italy's only town that can claim to be the gastronomic peer of almost any in France; the plum Bolognese bestow nearly as much money, effort and passion on the subtleties of creamy *tortellini* and other local wonders as they do on their clothes, and long gossip meals in homes or trattorie is the main leisure activity. But cafés are strangely few and uninviting, and cultural life (save in the visual arts) is moribund compared with that of the other towns.

Stuttgart's famous motto is *Schaffe, schaffe, Hütte bau* (work, work and build your little house). Leisure is for being active and useful, not just relaxing, and the principal pastime is do-it-yourself home improvement. Housing and home décor, though not always in the finest taste, are noticeably more opulent and modern than in the other towns.

Outdoor exercise has also become a cult, but the accent is less on team sports or recreation than on activities with a keep-fit rationale such as hiking or assault-courses in the woods: Swabians would never take to a near-static sport such as *boules*. Sport, like housework, is a tool for self-improvement, and so is culture: operas, concerts and, of course, ballet, are of high standard, and middle-class Swabians regard regular visits to these in formal clothes as almost a moral duty, as well as crucial means of asserting their status in society.

Moreover, the local puritan ethic decrees that fortunes are to be made, but not seen, and the public display of wealth is bad taste. One millionaire factory-owner kept his huge Mercedes in his garage at home, used it only for country pleasure motoring, and drove to his office in a little Volkswagen because he did not want to show off to his workers—unlike the values of Munich or Hamburg and a *fiori* Bologna. However, Swabians do have their less earnest side: the simpler ones sing and drink in beer-halls and wine-pubs.

The towns' differences in holiday habits are striking, and here the Swabians are the most adventurous: I met workers' families who had taken their cars on camping trips to Norway and Romania, while package-tours attract all income groups as far as, say, Mexico or Thailand. Like Swabians, many

Geordies, too, go on package holidays to southern beaches, mainly Spanish, where they tend to be put in cheaper hotels than the Germans. Each national group keeps to itself; Geordies and Swabians spend two or three weeks on their summer holiday, Latin rather longer, maybe four or more.

Toulousains have no need to travel to find the sun, and many of them holiday in their own homeland of south-west France, in their country villas; but a growing and sizable minority, especially the young, go off in twos and threes to far parts of the globe. (Apart from the Club Méditerranée, the French have hardly discovered the package-tour.) It is the Bolognese who win first prize for unadventurous parochialism: usually they settle for the Adriatic resorts, 60 miles down the autoroute, where middle-class families go back year after year to the same villa or modest hotel, and often stay the full three months of the school break, with husbands coming down at weekends. Few think of going abroad. After all, this cheapish local holiday leaves all the more money to spare for those Gucci shoes and soufflés of pasta with truffles.

A Tale of Five Cities (Secker and Warburg, London £5.95). The fifth city, Ljubljana, is added for contrast; as it is not in the European Community, and does not have a Western-style economy, it is not included in this article.

Trompe l'oeil

A new series of articles on various misconceptions surrounding economic issues. Today Tans-Jürgen Mahnke looks at gross national product

When the figures can lie

Last summer many Swiss were somewhat overcome when the Swiss Banking Corporation placed Switzerland at the top of the list of countries with the highest gross national product. In 1978 the country's per capita income went up by \$3,390 to \$13,833, yet the Swiss were hardly aware of it.

Switzerland has a further massive revaluation of the Swiss franc to thank (a yearly average of 34.4 per cent) for this leap forward. This is according to the SBC analysis. In fact the gross national product increased by only 0.2 per cent.

Politicians like to play around with gross national products, but the margins of error are considerable. For the value of all the goods and services produced in any one year less the value of the goods used in their production—the present definition of national produce—cannot be directly stated on the international plane. As a rule values are calculated on the basis of reports from institutions such as statistical offices or associations. And the unreliability of the survey methods they use is well known.

This does not matter so much if the national product is considered over a short or at any rate medium term; since the same errors are repeated every year, the growth rate accurately reflects the ups and downs in the economy.

But when longer-term comparisons are made structural changes in the national economy affect the authenticity of the national product as an indicator of the economy as a whole. In principle only those transactions are recorded which are concluded through the market place; although this is the way in which most transactions are concluded in the industrial countries, there is still the need to make a good many assumptions, and the import of this changes as time goes on.

For example, work done by the housewife is not taken into account for calculation of the national product, whereas a cook's wages are. So that if a man marries his cook he is decreasing the national product, while if more washing is sent to the laundry instead of being done at home the national product will rise.

Comparability over the longer term is also made less

reliable because of the increasing part played by the state. Government services and benefits, for which there is no market price, can be accounted for only by the use of various devices. The same applies to our consumption by enterprises, or to home ownership.

International comparisons are equally problematical, although they arouse the liveliest public interest. People register the fact that last year West Germany fell back from fourth to fifth position, changing places in the table with the United States, that France is in fourteenth and Britain in tenth place. Italy is now twenty-third on the list, just behind East Germany.

Comparisons of this sort can possibly supply a few pointers. But because, for purposes of comparison, national figures are converted into dollars fluctuations in exchange rates naturally have an important influence on the ranking. So do differential inflation rates, unless they are offset by exchange rate variations.

In Third World countries there is little basis for the collection of statistics. One cannot record the transactions in a bazaar. For agriculture, where cash is in many cases not an economic instrument, government agencies are required to provide only rough estimates.

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SUPPORT FOR STABILITY

In the dramatic first days of the Russian military move into Afghanistan it was easy to pick on the vulnerability of the countries to the south and west that bordered "locked-in" Afghanistan. In Iran the channels of government that ran from the Imam Khomeini's spiritual eminence were weak and confused where they existed at all. Anyone wanting to exploit political divisions could find fertile ground to work on. Pakistan's case seemed even worse with a frontier that was more alive, having been directly influenced by refugees crossing since the April 1978 revolution in Kabul. General Zia ul-Haq's military rule had become more and more irksome. Could his government survive a threat from without, lacking mass support? The mapmaker's geopolitical arrows almost inserted themselves.

Six weeks later things look less tense. Following the UN vote, Pakistan called its Islamic brothers to a conference and although the verdict was not unanimous one and the sanctions, if any, will not be uniform, the backing given to the country will be reassuring. Now the promised American aid has been tied up during Mr Brzezinski's visit. This may fall far short of General Zia's wishes but the circumstances are not such as to call for long term engagements for military or economic aid. The purpose is to promote stability by evidence of support and that has been manifestly given.

There is, of course, the case made by those who argue that even the limited aid on offer will serve to bolster an increasingly unpopular government. It is not an argument that can be swept aside. It has cropped up many times before when aid at critical times has been extended to governments of questionable popularity. And the answer must always be the same: that on balance a government that pro-

mises to steer the country through the crisis must be helped in that task whatever faults it has. Pakistan has rarely enjoyed a government that was not subject to strong criticism—for all the retrospective popularity accorded to the late Mr Bhutto there are still angry memories of his illegal methods of government. Already there are those who detect signs that faced with the crisis in Afghanistan General Zia's leadership has its worthwhile, if somewhat negative, qualities. He is not given to inappropriate Churchillian gestures nor to exacerbating divisions by ill-tempered moves. In the end the execution of Mr Bhutto is likely to overcome him, but he remains at present the de facto government, the only gov-

ernment Pakistan has. Even if some limited degree of rallying to the centre persists and hardens, it is in the periphery that the risks are greatest. Neither the Northwest Frontier province nor Baluchistan has had much taste for government of any kind, whether of General Zia's or Mr Bhutto's or for any of their predecessors'. The NWFP is in the front line thanks to the refugees who have been flooding over. The frontier marked by the Durand line looks efficient on a map but does not exist in the minds of the tribespeople who straddle it; they can move freely from one side to the other in the territories that were unadministered in British days and cannot be directly controlled now. Yet Pakistan has lived with that situation for a long time. Is there reason to think that independent Pathans are any more now the carriers of Marxist infection than they were thirty or fifty years ago?

Baluchistan's instability admittedly can be less easily dismissed. It was military repression under Mr Bhutto's rule that spread bitter resentment and sent into exile in Afghanistan many hundreds of the Marri tribe.

Among them are said to be young whose higher education has since been furthered in the Soviet Union, with the expected political attachments of the kind that have reigned in Kabul of late. Batches of ardent young Marxists are always alarming but only likely to do great deeds when they have the backing of the armed forces—as they did have in Kabul in April 1978, and as they certainly would not have in Pakistan. In the past two years General Zia has not done as much as may be needed to quieten Baluchi tempers but has certainly acted prudently in soothing the worst suspicions. He should do more and may find that Baluchis—in the mass—are no more likely to welcome the kind of government they see in Kabul or to relish the accounts that will certainly reach them from Afghanistan of Russian occupying forces.

That leaves the other argument against limited but firm support for Pakistan: its effect on India. One answer is that the military help for Pakistan will be entirely defensive in aim. Another is that General Zia has shown himself to be careful over relations with India and there is no reason why he should now turn away from such an attitude. He certainly does not play the role of crusader that Mr Bhutto could relish. If Indian anxieties run to some of the wilder fears that have already been ventilated in the Indian press—American troops arriving to train Afghan rebels, for example—that must be accepted as natural. It is not Pakistan's difficult task is to react on a global scale to the Soviet invasion of Afghanistan. It is to watch the points of risk on its own frontier and not to let them shake a firm stance backed by suitable political and military support. It is realistic to offer both kinds of support to General Zia's government, but without pretending to an enthusiasm which is not warranted.

From Mr Eric Forth, MEP for Birmingham North (Conservative)

Sir, Ronald Eun's otherwise well argued article ("misconceived", article "European unity: the shamming of an ideal" (January 31), ignores the response of the European Parliament to the Afghan crisis.

This is regrettable, but understandable, as so many commentators look only to the Commission and the Council of Ministers to assess the response of the EEC to current issues.

I would remind Mr Eun and your readers that the European Parliament in its January session passed a resolution tabled by the British Conservatives, the Christian Democrats, and the Liberals which condemned the armed invasion of Afghanistan as contrary to the UN Charter, called for an immediate withdrawal of Soviet troops, requested the Commission immediately to review all economic relations between the USSR and the EEC, especially in the field of high technology, agriculture and anti-dumping practices, and to report to the Council of Ministers. It calls for action by the Council and the Foreign Ministers on the basis of that report.

It calls on the International Olympic Games Committee to reconsider the holding of the Olympic Games in Moscow.

This is an example of several political groups from the nine countries of Europe combining to take a political initiative where individual governments (except Britain) and the other EEC institutions have appeared to be paralyzed.

Yours faithfully,

ERIC FORTH,
40a Goldsborough Road,
Sutton Coldfield,
West Midlands.
January 31.

Boycotting the Olympics

From Mr T. V. N. Fortescue

Sir, Suggestions for a permanent, extra-political home for the Olympic Games have focused on Greece; but would not Switzerland be an incomparably suitable permanent host to the modern games?

On the other hand the majority of members of Charter 77 have resisted the temptation to move into the more direct political opposition which some regarded as a logical response. The new document remains true to the original aim of not offering a political platform, an alternative programme, or indeed any direct opposition to the state.

This is its strength for it thereby keeps the loyalty of ex-communists, reformist communists, Christians, liberal democrats, and different shades of socialists who can unite only on a common commitment to basic civil and political rights.

The aims of Charter 77 are therefore minimal: "We are more clearly aware that even a small space won for independent and free activity is a space for genuine life". But they are also universal: "Charter 77 stands up for the right of every human being to a free life in accordance with his or her conscience". The Charter's aims, as it rightly says, are essentially moral and rooted in the cultural traditions of Europe. But in a state such as Czechoslovakia today this cannot fail to represent a political stance if only because it is impossible to imagine the ideals of Charter 77 being even minimally respected under the present political system.

Dissident and dissenter

From Mr Leszek Kolakowski

Sir, I was particularly pleased with the article "Parallel with the Sakharov case" by Patricia Clough (January 28). Professor King points out the striking similarity between Mr Marsh and Andrei Sakharov's predicament (whether the author of the article shares this view is not quite clear).

The analogies are indeed impressive. As is well known, in Pravda, Izvestya, and throughout the Soviet press articles by Sakharov appear defending his cause and condemning the Government; he gives interviews on TV to state television, makes speeches and lectures, has huge audiences at the Moscow University, travels all over Europe; and in the mass media a debate is going on in which all Sakharov's defenders and critics voice their opinion. Sakharov's books attacking the Soviet regime are being sold in all bookshops of the Soviet Union and, in general, people have a lot of fun from watching the discussion.

On the other hand, it is also well known that Professor King, after having been constantly harassed by the papal police for 12 years, has been recently expelled from his flat and forcibly sent to a remote town under police supervision, with his telephone cut off; most of his friends, for defending the same cause, are now rotting in concentration camps and prisons.

The connexion between patterns of fuel purchases and poverty is too weak a lever to overturn the basic proposition that fuel prices should reflect production costs and market pressures. If we tried to use the energy industries as branches of the social security system they would perform inefficiently in both their primary and their secondary roles.

Yours faithfully,

MICHAEL POSNER,
Pembroke College,
Cambridge.
January 21.

deterioration centres and not police station cells.

However, none of this means that Mr Jardine (January 17) is justified in giving the impression that there is nothing whatever to worry about on the police side either. I have just obtained from the Police Complaints Board the figures for 1978 of the numbers of complaints against the police lodging assault in each of the 44 police forces in England and Wales.

What is particularly striking is that those Forces with a very high number of complaints of assault are also those with a high number of deaths in custody over the period 1970-79. For example, whilst Cumbria had 7 complaints only and 1 death in custody, neighbouring Northumbria had 87 complaints and 6 deaths in custody.

The same could not be said if we used the fuel industries for this purpose. I concede that all big business—public, private, or mixed—must bear in mind the problems imposed on society by their commercial operations. But inverted tariffs—the less you use, the smaller the price you pay—make economic nonsense, whether for gas or electricity. Shall I pay a lower price per unit for the heater I use for one peak hour a day than a working-class family pays for the continuous gas or electric system to which it is committed by virtue of the equipment the landlord installed several years ago?

The connexion between patterns of fuel purchases and poverty is too weak a lever to overturn the basic proposition that fuel prices should reflect production costs and market pressures. If we tried to use the energy industries as branches of the social security system they would perform inefficiently in both their primary and their secondary roles.

Yours faithfully,

MICHAEL MEACHER,
House of Commons.
February 2.

deaths in police custody

From Mr Michael Meacher, MP for Oldham, West (Labour)

Sir, Dr MacLean (January 31) is right to call attention to the extremely unsatisfactory situation faced by the police in having to deal with large numbers of drunken persons in police station cells, especially on Friday and Saturday nights. Quite a high proportion of the 245 persons who, according to Home Office statistics, have met their death in police custody in England and Wales in the last 9½ years fall into this category. But the main point is surely that they shouldn't have been taken to police stations in the first place.

What is needed instead is the widespread provision of detoxification centres. Following the Home Office's 1971 report "Habitual Drunken Offenders", hospital-based centres were opened in Edinburgh in 1973 and Manchester in 1977, and a community-based centre was opened in Leeds in 1976. That is all, and even the Leeds centre is threatened with closure in March.

Yet these centres have proved their worth overwhelmingly. They should now therefore be extended across the country, and in order both to free the police of an unpleasant role for which they are not well suited and also to provide public inquiry as a "mammoth fishing expedition".

Yours sincerely,

MICHAEL MEACHER,
House of Commons.
February 2.

The price of gas

From Mr M. V. Posner

Sir, Mr Marsh makes a fair point in his letter (January 20). He is right in giving the impression that there is nothing whatever to worry about on the police side either. I have just obtained from the Police Complaints Board the figures for 1978 of the numbers of complaints against the police lodging assault in each of the 44 police forces in England and Wales.

What is particularly striking is that those Forces with a very high number of complaints of assault are also those with a high number of deaths in custody over the period 1970-79. For example, whilst Cumbria had 7 complaints only and 1 death in custody, neighbouring Northumbria had 87 complaints and 6 deaths in custody.

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Yours faithfully,

MICHAEL POSNER,
Pembroke College,
Cambridge.
January 21.

LETTERS TO THE EDITOR

The Soviet invasion of Afghanistan

From Mr Peter Carter

Sir, Ingenious arguments about plots and kettles and global strategy from Mr McKirrick (January 31) among others, and the controversy over participation in the Olympic Games, should not distract us from the central fact that the Afghans are resisting literally to the death, a brutal military invasion and occupation of their country.

Their courage, religious faith and fierce spirit of independence deserve our deepest admiration and all the support, direct or indirect, that men of good will anywhere can give them.

Yours faithfully,

PEERS CARTER,
HM Ambassador to Afghanistan,
1958-72,
Holgate,
Balcombe,
Sussex.
January 31.

From Mr Eric Forth, MEP for Birmingham North (Conservative)

Sir, Ronald Eun's otherwise well argued article ("misconceived", article "European unity: the shamming of an ideal" (January 31), ignores the response of the European Parliament to the Afghan crisis.

This is regrettable, but understandable, as so many commentators look only to the Commission and the Council of Ministers to assess the response of the EEC to current issues.

I would remind Mr Eun and your readers that the European Parliament in its January session passed a resolution tabled by the British Conservatives, the Christian Democrats, and the Liberals which condemned the armed invasion of Afghanistan as contrary to the UN Charter, called for an immediate withdrawal of Soviet troops, requested the Commission immediately to review all economic relations between the USSR and the EEC, especially in the field of high technology, agriculture and anti-dumping practices, and to report to the Council of Ministers. It calls for action by the Council and the Foreign Ministers on the basis of that report.

It calls on the International Olympic Games Committee to reconsider the holding of the Olympic Games in Moscow.

This is an example of several political groups from the nine countries of Europe combining to take a political initiative where individual governments (except Britain) and the other EEC institutions have appeared to be paralyzed.

Yours faithfully,

ERIC FORTH,
40a Goldsborough Road,
Sutton Coldfield,
West Midlands.
January 31.

Trade unions and the rule of law

From Sir Ronald Bell, QC, MP
Sir, Some reading Lord Wedderburn of Charlton's confident assertion (February 4) that trade union law is clear, as it emerges from recent decisions in the House of Lords, may be reminded of one of A.P.H.'s misleading cases in the Common Law.

In one celebrated case four law lords declared in turn that the law was clear, two in one way and two in the opposite way, and Lord Goff, with whom therefore, the decision rested, said: "My Lords, the law is clear . . . and fell dead; so that no one ever knew which way the law was clear."

After Lord Wedderburn's letter

to me, he declared in turn that the law was clear, two in one way and two in the opposite way, and Lord Goff, with whom therefore, the decision rested, said: "My Lords, the law is clear . . . and fell dead; so that no one ever knew which way the law was clear."

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Stock markets
FT Index 445.7 down 2.1
FT Gilt 65.81 down 0.64
Sterling
52.2855 up 1.15 cents
Index 72.3 up 0.3
Dollar
Index 85.2 unchanged
Gold
\$667 down 10.5
Money
3 mth sterling 17.4 to 17.1
3 mth Euro-S 14.1 to 14.1
6 mth Euro-S 14.1 to 14.1

IN BRIEF

MPs still seek tough limits on US fibres

EEC backing for measures to curb American synthetic fibre imports into Britain is likely to be sought in Brussels today if, as expected, the Council of Ministers rejects the case for Community-wide curbs.

Trade ministers were compiling proposed quotas against a background of a rising clamour by MPs for swift and tough action.

Mr Barry Jones, Labour MP for Flint East, said that "devastating damage" had been caused by the cheap American imports. About 500 jobs at a Deside mill in Flint depended upon urgent action being taken.

Fibre manufacturers, including ICI and Courtaulds, have announced several thousand redundancies in the past 12 months.

Highland pulp mill

Final studies are to start on a £100m project to produce newsprint from Scottish timber at Fort William. The plant, a joint venture with Consolidated Bathurst Inc of Montreal, would replace the chemical pulp mill at Fort William, which is due to close making half the 900 workforce redundant.

Bulgaria deal

ICI has signed a protocol covering technical cooperation with Bulgaria. Projects under consideration include a polypropylene film plant, now being discussed by Sim-Chem, British contractor working under licence from ICI.

Gilmores liquidation

Gilmores and Partners (Southfield), the London meat company which was put into voluntary liquidation after it collapsed in early December with debts totalling £1,500,000, has been compulsorily wound up in the High Court. Opposing creditors are to apply to the Official Receiver for the appointment of a special manager to provide "continuity of the company's business".

Rowntree cutback

Many of the 14,000 workers at Rowntree Mackintosh are facing redundancies, reduced working hours and a ban on overtime because of dearer raw materials and falling demand. At the Halifax factory 3,500 will be on a four-day week from next Monday.

Lorho profits down

Mr Roland "Tiny" Rowland's Lorho group saw pre-tax profits tumble from £93.6m to £84m in the year to September 30. This was in spite of a leap from £2.6m to £31m in profits from mining and refining as a result of soaring gold and platinum prices.

Financial Editor page 19

Poland sells Toyotas

Poland has become the first eastern block country to sell Japanese automobiles on its domestic market, but the Japanese cars—Toyota Corollas and Mazdas—will only be sold for "hard" western currency, with a 1,300cc engine selling for \$4,910 (£2,144) and a Mazda with the same capacity engine for \$4,530.

PRICE CHANGES

Rises

Control Secs	3p to 41p
Decca	52p to 487p
East Daga	60c to 185c
Ferranti	20p to 490p
Groovitri	15c to 645c

Falls

Anderson Strath	5p to 61p
Broken Hill	15p to 640p
Malta Inv	10p to 355p
Hampton Gold	13p to 307p
Hill C Bristol	15p to 55p

THE POUND

Australia	Bank buys 2.11	Bank sells 2.04
Austria Sch	30.00	28.00
Belgium Fr	68.25	64.75
Canada	2.65	2.61
Denmark Kr	12.87	12.32
Finland Mk	8.76	8.36
France Ft	9.54	9.18
Germany DM	4.15	3.93
Greece Dr	95.00	90.00
Hongkong \$	11.40	10.80
Ireland £d	1.10	1.00
Italy Lira	1980.00	1890.00
Japan Yen	576.00	545.00

Rates for small denominations banknotes. Only one rate given per day. Different rates apply to large banknotes and other foreign currency transfers.

Telecom sector to carry Post Office pension fund £1,250m debt

By Patricia Tisdall
Management Correspondent

The profitable telecommunications business of the Post Office is to carry the burden of a £1,250m deficit in the Post Office staff pension fund. An arrangement has been found enabling the debt to be paid by instalments.

The huge deficit, incurred before the Post Office was given commercial status in 1969, is to be borne by the new telecommunications organization after this has been split from the postal and Giro services.

It means that from the outset the new telecommunications corporation must find heavy monthly interest charges and eventually repay the debt.

The deficiency, which resulted partly from a mistake in the notional valuation of inherited assets when the Post Office Corporation was formed, has long been a bone of contention. The Post Office, its users' consultative group and the unions maintained that the shortfall should be made good by the Government while the Government stand has been that users should pay the costs.

The eventual solution has been to set up a deed of covenant under which repayment of the principal is deferred until 1985-86. However, the arrangement also provides for interest payments to be paid monthly to the trustees of the Post Office Staff Superannuation Fund.

Interest is calculated on the basis of funding the £1,250 million liability over 14 years at an interest rate equivalent to 14% per cent a year.

Mr Charles Beauchamp, the Post Office director responsible for finance and corporate planning, has told a select committee of MPs that responsibility for both the interest charges and the principal will pass to the new telecommunications corporation.

He said the arrangement enables the debt to be paid by instalments and could save the equivalent of 1p on postage and about 4p on telephone calls.

The Post Office's reasoning was that the more profitable telecommunications service—a special case.

Small investors likely to complete BP shares offer

By Michael Prest

British Petroleum's £290m share offer to two small investors reaches its final stage tomorrow when successful subscribers who wish to complete their share purchases have to pay the outstanding 213p a share. Most subscribers are expected to take up their rights.

The offer, made last November, was 80 million shares at 363p each, 150p of which was payable immediately. In spite of considerable publicity, the issue was only about one and a half times oversubscribed. But investors who asked for 1,100 shares or less were given all they wanted.

Since then they have experienced some of the joys of the stock market, perhaps more familiar to bigger investors. The price of the

partly-paid shares fell to 128p at one stage, and rose to a high of 180p. They closed yesterday at 150p, compared with 350p for the old fully-paid shares.

Some small investors lost heart, and their shares were snapped up by institutions which wanted to weight their portfolios away from the oil majors. But with BP's 1979 net income likely to exceed comfortably the previous year's £444m, it is thought in the City that most shareholders will not be put off by the fact that the trading price for all the shares will be almost the same as the offer price.

At 350p the old shares yield 5.5 per cent. The new shares will trade at par until the end of the present account.

People who do not pay the second instalment lose their rights.

Retail sales downturn

By John Whitmore

Retail sales in December were lower than the provisional estimate released on January 14 had suggested. The final seasonally-adjusted index of the volume of retail sales for the month stands at 112.4, down 1.2 points on the revised figure for November.

Although both the November and December figures were well up on the months since the June Budget, the overall picture for the final quarter of the year was about 1 per cent down on the average monthly figure from April to September. Sales for the full year were about 3 per cent

Retail sales tables page 22

below the annual average for 1978.

The main advance during 1979 was made by durable goods. Sales rose by 5 per cent, partly because of the pre-VAT increase in spending spree in June; food, clothing and footwear shops had a 2 per cent rise.

Although the volume of retail sales was down for the whole year, total lending by finance houses, other specialist consumer credit grantors and retailers rose by 21 per cent during the year, but new credit extended in December was lower than in recent months.

Retail sales tables page 22

Financial Editor page 19



Shipping export credit terms ease

The Organization for Economic Cooperation and Development released full details of the terms and conditions of the revised "understanding on export credits for ships" which became effective on December 1, 1979.

The main changes from the previous understanding in 1975 concern the minimum downpayment—lowered to 20 per cent from 30 per cent—and the maximum duration of credit, which rises to 8.5 years from 7.

Participants considered that although the previous minimum interest rate of 8 per cent net of all charges, should remain the rule, they agreed that "some flexibility may be necessary to take into account existing practices within the European Economic Community".

Japan-Iran project

Mr Eime Yamashita, president of Japan's Iran Chemical Development Co, has reached a basic agreement with Iranian Government officials in Tehran on continuing the 730,000m yen (£1,350,471m) project in Bandar Khomineh which was halted in March, 1979, because of the political unrest.

Italian wages rise

Italy's automatic wage escalator rose eight points in the quarter ended in January, compared to six points in 1979. The rise adds 19,112 lire (£10.69) a month to February wages. The escalator grants automatic pay rises to help workers keep up with the cost of living.

General Motors' rebate

General Motors is offering a \$500 (£218) rebate designed to clear the inventory of remaining 1979 models of 50,000 cars and station wagons and 25,000 vans. The credit incentive could cost General Motors about \$37.5m (£16.3m).

Volvo pulls out

Volvo will stop assembling its 244 GL passenger car in Singapore by the end of 1980 after last year's government decision to withdraw preferential treatment for locally assembled cars from August 1980.

Shell chief predicts economics will push mines into new prominence

Coal 'key energy source' for future

A leading executive in the oil industry predicted yesterday that coal will be the key energy source for many years to come. He estimated that by the end of the century, western Europe could be importing as much as 350 million tonnes a year.

Mr Peter Baxendell, chairman of Shell Transport and Trading, said coal was potentially a highly versatile source of energy and feedstocks. "It is destined by sheer necessity to take the place of oil as the 'swing' fuel for the remaining part of this century and possibly beyond."

(Oil is the present "swing" or "balancing" fuel. Its flexibility of marketing and supply allows it to be easily taken up or cut back according to demand.)

Economics and politics were pushing coal on to the energy stage, and it was essentially cheap and available balancing part in developing coal technology, he said.

World oil availability is on a plateau. "It is no longer the universally applicable, essential cheap and available balancing fuel that it has been for so long," he said.

Shell is in the forefront of coal conversion technology. It recently announced plans to build a 1,000-tonnes-a-day coal gasification plant in the Netherlands. The £70m plant will operate in conjunction with a combined-cycle power station, using both gas and steam turbines. The station is expected to come on stream in December, 1983.

Mr Baxendell, who is also a group managing director of Royal Dutch Shell, said that coal gasification was only a starting point for further synthesis of ammonia, methanol and liquid hydrocarbons.

He disclosed that Shell companies were engaged in various coal-related research programmes, including work on coal slurry pipelines, technology for treating

and using slurry particles, reducing the pollution potential of low-grade, high-sulphur coals and recovering coal from waste material.

Speaking to the Coal Industry Society in London, Mr Baxendell said EEC coal production could be expected to increase over the next 20 years by only 50 million tonnes, giving a total output in the year 2000 of 250 million tonnes.

To meet the shortfall, anything between 150 and 350 million tonnes of coal would have to be imported.

Development of a new, international coal industry involved investment on a huge scale, he said.

Here, the experience of the oil companies in handling the financial, political and physical complexities of mounting large-scale international projects would be of considerable value.

John Huxley

Fibre optics 'village' test urged

Technology News

The Post Office Engineering Union has endorsed the recommendation made last year by the National Economic Development Council's electronic components sector working party that the Government should provide up to £40m towards the development of opto-electronics.

In a report on optical fibre technology published yesterday, the union says the Government should go further than this. It should sponsor an experiment in which a small community would be "wired up" with optical fibre cable so that subscribers could receive a new range of telecommunications services.

"This would enable us to test the practical application of optical fibres in the local network and the reaction of subscribers to the services available. The Japanese have already done it. The Canadians and now the French are planning to do it."

Optical fibre technology involves the transmission of speech (or data) via pulses of light along hair-thin strand of glass or plastics. The light is generated by lasers or light-emitting diodes. A pair of fibres can carry almost 2,000 telephone calls simultaneously. The Post Office intends to introduce 15 routes for which optical fibre will be supplied by GEC, Plessey and STC. According to the union, this will represent the largest application of optical fibre technology in actual operating conditions in any telecommunications network in the world.

These routes will come into operation between 1980 and 1982, providing the Post Office with practical experience of using optical fibres with live traffic and British manufacturers with a showcase for potential customers abroad.

Optical fibre technology, the

report points out, cannot be divorced from the whole modernization programme of the Post Office's telecommunications business, and in particular the change from analogue (continuously modulated wave-like signals) to digital (discrete, on/off signals) systems for both switching and transmission.

"At present," the union comments in its report, "the British Post Office operates what is basically an electromechanical telephone system with limited reliability and service. The range and quality of service which we provide is under attack from politicians and customers."

Therefore the rapid modernization of our national telecommunications network is crucial to our future job prospects. It will strengthen our defence of the monopoly.

"It will encourage the development of a larger telecommunications system with more telephones and more calls. It will stimulate a much wider range of terminal apparatus and telecommunication services. That is why we must have the modernization programme and the optical fibre technology that is part of it."

Space research

A new concept in the development of industrial processes suitable for use in space (in earth orbit, for example) has been initiated in the United States by the National Aeronautics and Space Administration and McDonnell Douglas Astronautics.

In essence, joint programmes of research and development are being shared between NASA and appropriate companies with no exchange of funds. The aim is

Lucas wins battle to expand in Europe

From Mr Howard Abbott
Sir, The letter from Dixon Gunn (January 30) on product liability and animals is well timed. He followed David Sharp who had made similar points regarding human beings.

They both feel that their respective fields of medicine would suffer when strict liability comes into force in this country; that defensive medicine would become the norm; and that the patient, animal or human, would be at a disadvantage in consequence.

Mr Gunn says that if there is suffering due to a product defect which "is the result of negligence, the remedial course already exists". It certainly does—but the sufferer would have to prove negligence. Here I am aware the best of these (for example Wheal Jane and Mount Wellington) have been unable to operate profitably despite the most generous government assistance. I would be interested to know of other known ore bodies which could be mined profitably in the United Kingdom.

Mr Messervy said: "Bosch do not take very kindly to us making really significant inroads into what has long been regarded as Bosch territory. We are not personally antagonistic towards them but we are bitter rivals for every market we fight in."

It was developed by Dunn Instruments in the United States in association with Postscript. Previous systems have suffered from incompatibility between the techniques used to reproduce colour on the video screen and those used in colour film.

The new microprocessor-controlled system processes the phosphor-based video colours into a form compatible with the layered structure of the film. This should accelerate the use of colour graphics output from computer systems in areas such as business information systems and design—distinct from the traditional ones of science and engineering.

KENNETH OWEN

Mr Godfrey Messervy: bitter rivals for every market.

"There is no suggestion that any particular market belongs to anyone. Today it is a world market and we are in there fighting for the money."

The German successes follow Lucas' long battle to increase its presence in another EEC country. It attempted to obtain control of Ducellier, the French auto-electric manufacturer last year. After a series of court hearings, "a compromise was reached that meant an age which permitted Lucas to increase its shareholding to 50 per cent and gave its rival, the French Ferodo SEV, 48 per cent."

Mr Messervy said Lucas, Ferodo and Ducellier had now set up a number of joint teams to produce a rationalisation plan which will help all three in products and markets.

"As long as the French motor industry understands what we are trying to do—and they do because I have been around and told them—the result should be a stronger French auto-electric grouping."

"But life is not like that today. That is one of the reasons why the French have a lousy component industry."

Prices deal for rubber company

By John Huxley
International Synthetic Rubber (ISR) has resumed production of its principal product after a four-week shutdown in protest against what it described as "killing" prices charged by chemicals companies for raw materials.

More than 100 workers engaged in making styrene-butadiene rubber at the company's main plant at Bytne, Hampshire, were redeployed after the production halt.

Yesterday ISR announced it had reached an understanding with Esso Chemical relating to contract prices paid for supplies of the butadiene feedstock. Most significantly, an agreement has been reached for both parties to work together to establish a viable long-term arrangement", the statement added.

Esso is ISR's largest supplier of butadiene. Others include ICI and British Petroleum, with whom negotiations are continuing. The company would give no details of contract prices agreed with Esso.

Earlier Mr Donald Bennett, chairman of ISR, had complained that he was being asked to pay around £330 a tonne for butadiene while in the United States the same product was being offered at about £230 a tonne before freight charges.

ISR, owned by a consortium of the tyre companies Dunlop, Goodyear, Firestone, Uniroyal, BTR, Michelin and Avon, said it had been heartened by support from its 900 workforces and its customers.

LETTERS TO THE EDITOR

Food the most serious shortage in world of wasted resources

From Mr R. S. Scorer

Sir, The message of Kenneth Owen, your Technology Editor, should be heeded by your Commodities Editor Wallace Jackson. Owen writes (February 1):

"While attention has been focused on... energy... questions of the future supply of materials have been overlooked." How true! For Jackson's headline (January 28) reads: "So much silver under-ground and yet so little mined."

The column below reveals that the amount of unmined silver around the world in direct deposits is enough for only 13 years at present rates of consumption and that there is enough for another 35 years in deposits from which silver

can be mined as a byproduct. If I owned a deposit I would be very much inclined to keep it in the ground and not release it to the world with its present extravagances.

But metals and other minerals are not the only resources whose life appears short. The tropical forest and ocean fisheries are being grossly over-exploited at present so that there will be a very serious shortage of wood and fish in two decades time.

Only a severe shortage of energy will, as it seems, slow down this shortsighted extravagance.

Perhaps the most serious of all is the shortage of food in prospect. Disease has been

overcome as an important restraint on population growth and the world's food supply, supported by mechanization and fertilizer, has supported an unprecedented increase. But that depends on fuel, so that the fuel crisis means a food crisis. Fuel, forests, fish, fertility and food; these are more serious than minerals to the welfare of the world, and it will not be a crisis but a climacteric. Yours faithfully,

R. S. SCORER,
Department of Mathematics,
Imperial College of Science and
Technology,
Queen's Gate,
London SW7 1SH.
February 1.

UK's mineral reserves an unlikely Utopia

From Dr J. P. N. Badham

Sir,

The recent letters from Sir Peter Kent and Sir Kingsley Dunham (January 9) and Mr Lomax (January 23) call for a simplification of mineral rights ownership (by nationalization) and for government to encourage mineral exploration and development with tax incentives. Both make two assumptions which need justification before such changes should be considered.

The first of these is that the mineral resources are actually there to be discovered. Mr Lomax draws attention to a list of "known ore-bodies" in the United Kingdom. As far as I am aware the best of these (for example Wheal Jane and Mount Wellington) have been unable to operate profitably despite the most generous government assistance. I would be interested to know of other known ore bodies which could be mined profitably in the United Kingdom.

Mr Lomax also suggests that a revival of mining would "help the balance of payments and ensure a supply of strategic materials...". At present this country imports its entire requirements of all metals except copper, lead, zinc, tungsten and tin. We produce about 1 per cent of each of these digeniously.

The most optimistic prognosis would find it difficult to anticipate production of even 5 per cent of our needs for say of these metals, and we have no known reserves of any of the remaining strategic metals. While an enhanced exploration programme might alleviate the situation somewhat it is hard to see the coming of Mr Lomax's metallic Utopia.

The second assumption is that even were we to locate significant mineralisation, permission would be given to mine it. The land use pressures of this country are so great that government would find it extremely difficult to impose its will. The success of the environmental

movement in Britain is quite clear that I firmly believe there to be mineral deposits that could be produced economically in this country, and I should like to see them discovered and produced. I do not think they will make any significant difference to our balance of payments or our strategic dependence on other countries. They could, however, improve local unemployment and wealth considerably. I am unable to understand the logic of environmental groups who are quite content to use the products of desertion (sic) of other countries while protecting their own. I am cynical enough nevertheless to suggest that their arguments will prevail and that neither nationalization nor tax incentives will make the slightest difference to us.

Yours faithfully,

N. BADHAM,
Department of Geology,
The University,
Southampton SO9 5NE.
January 25.

Basic needs overlooked in efficiency drive

From the Director General of The British Quarrying & Slag Federation

Sir, Mr Gaultier in his letter of January 29 has highlighted an issue which should concern us all; a sound infrastructure is basic to an enterprising, forward looking and efficient industrial nation. We ignore this at our peril.

Those who have a vested interest in supplying these needs are hesitant in promoting their views or are ignored as having vested interests. However, while there is a strong belief that public expenditure and hence government borrowing must fall, that is not to say that we should not look more closely at the proportion devoted to "current" and "capital" expenditure respectively.

The statistics quoted by Mr Gaultier speak for themselves however unpalatable they may be. They point to two things: a gradual reduction in the basic engineering services that we all take for granted in our daily life but are important to the use of antiquated buildings by the big delivery charges on manufactured products. Anyone who has found himself in a queue of lorries to an export port must

know that this delay costs money and that this cost is made the difference between a product that is competitive in the market place and one that is not.

Let us be realistic. If our present difficulties in the short term prevent us from allocating sufficient resources to these basic needs, we must look for an alternative. It is not beyond the ability of our elected representatives of the European Parliament to play the French game. We must hope therefore that this challenge is taken up. We should make every endeavour to obtain funds for infrastructure development from EEC sources which will go some way to counterbalance the inequity of the common agricultural policy.

We should put aside our domestic differences, however valid, and try to find a common approach to what has become a serious problem.

Yours faithfully,

G. T. BODKIN, Director General, The British Quarrying & Slag Federation Limited, Carolyn House, Dingwall Road, Croydon CR0 9XF, January 30.

Dangers for moderates in union law change

From the General Secretary, the Aerospace Association

Sir, Mr Leif Mills (January 22) has drawn attention to the problem of trade union recognition, to which the Engineers' and Managers' Association has been directing the attention of Members of Parliament for some months, namely the proposed repeal of Sections 11-16 of the Employment Protection Act.

If the repeal is enacted in the Employment Bill 1980 there will be no machinery whereby a trade union can challenge the refusal of an employer to grant recognition. If an employer is under pressure from a militant, Communists-led trade union not to recognize another, moderate, trade union, and he buckles under that pressure, what do moderates do?

One answer would be to take to the streets and thereby behave in a manner which our

The PENCON® Plug

The Pencon plug has been developed in the interest of public safety. The objective was to produce an integral plug lead which would be supplied to electrical appliance manufacturers thereby enabling appliances to be ready for use immediately and safely without any additional work on the part of the user.

Furthermore the Pencon plug complies with the requirements of BS 1363A as far as this is relevant and in fact goes beyond this Standard in view of the radically new nature of the product. It is accepted by BEAB (British Electrotechnical Approvals Board) for use on BEAB approved appliances.

Electrical appliances fitted with the Pencon plug lead are now on sale in shops and showrooms throughout the U.K. and will come into even more widespread use as time goes on. A number of large and leading appliance manufacturers have adopted the Pencon plug as a standard fitment throughout their ranges of products with similar intentions in evidence by many other manufacturers in the electrical appliance industry.

The plug is protected by patents and copyright designs.

The PENCON® Plug

Developed in the interest of consumer safety by Pendle Connectors Ltd., Pendle Mill, Elizabeth Street, Leigh WN7 3AE, Tel. (0842) 603412, which is a wholly-owned subsidiary of the Ward & Goldstone Group of Companies of which Pencon is a registered trade mark.

BY THE FINANCIAL EDITOR

GEC draws on its experience

GEC's offer for Decca is not necessarily a knock-out blow, but it is sufficiently well-pitched to make Racal, with its £65m paper offer still on the table, think hard about where it goes from here. Most important (apart from the fact that it is worth £17.5m more than Racal's bid) GEC is offering tax relief, though for those with a capital gains tax problem there will be an alternative of convertible unsecured loan stock.

Second, GEC is acknowledging the reality of Decca's capital structure in that at the end of the day it will be the voting shares, which represent only 38 per cent of the equity, which will decide this battle.

Thus, the differential between the voters and the "A" non-voters which had been around 10 to 15 per cent in the market before the bids started coming in, should be 25 per cent in the view of GEC. If Racal comes back with a counter it will have to think again here; its present terms offer the voters a premium of just under 11 per cent.

Thirdly, there is the question of what Decca is worth. To some extent this must involve shooting in the dark. A base point though is that the capital goods business, which is what both GEC and Racal want, has annual sales of £100m, and Decca has substantial hidden worth. Major assets, such as the music catalogue, for which PolyGram is prepared to pay as much as £5m, and the head office building in London, are in Decca's book at virtually nil.

Against this it has debt of around £60m following its heavy consumer product losses, and closures, including the possibility of the television business, represent unquantified liabilities in the near future.

All this suggests that Racal wants an auction, the bids will be notched up by rather more modest sums than GEC has delivered on this occasion to a maximum of around £90m. Decca shareholders obviously have nothing to lose by staying put for the moment therefore, but they should be aware of two risks.

One is that the whole situation will be referred to the Monopolies Commission (though goodness knows Whitehall must have sufficient data on electronics rationalization possibilities by now). Second, Racal could pull out now, perhaps ruining the day that it did not offer more in the first place which could have kept GEC's ambitions shackled. But in the takeover game experience counts...

Lonrho

The strategy unfolds

Lonrho has significantly undershot market estimates with declared full-year profits stated at £84m pre-tax against last year's £93.6m.

Despite the roller-coaster look of divisional returns however the main blame for the disappointment falls on a substantial reduction in write-backs above the line of previous over-provision for depreciation.

Stripping this controversial feature out would leave profits a shade higher at £76.3m against £74.2m.

Thankfully, Lonrho has now decided to abandon this procedure and write-backs will go straight to reserves.

On the trading front, Lonrho has been saved from an embarrassing profits downturn by a spectacular performance from the mining companies which pushed profits up from £29.6m to £31m mainly on the back of rising gold, copper and platinum prices.

Against this the lower sugar price saw agricultural profits tumble from £21m to £1m, while the Nigerian blockage saw export confirming and finance figures drop from £18.6m to £8m.

Now, after four years on a plateau Lonrho looks to be on the verge of a profits explosion based heavily on the African mining, agricultural and trading interests. Profits from mining could almost double if the current bullion price holds, while a sugar price double that of last year's points to significant recovery in agriculture.

Even allowing nothing for a possible reopening of the Zimbabwe oil pipeline—currently in the books at £1—the group's overseas earnings can comfortably take the strain of bleak conditions at home particularly for the engineering and steel interests which saw profits fall from £13m to £8m last year.

Forecasts for the current year range from around £130m to something over £150m. Indeed, Mr Rowland is unmistakably bullish lifting the net dividend by a tenth and declaring a special 1p interim in advance.

Business Diary: Who follows Solomon? • Inn dispute



No need to worry yet: big wars don't start until August or September.

tary of State for Economic Affairs in 1977 and recently gained the title of Ambassador ad Interim to the United States.

For another move would be a sideways shift, as he is already Under-Secretary for Economic Affairs at the State Department.

The President may, of course, surprise everyone.

A tiff has erupted between two charities looking after retired people in the pub trade, the Society of Licensed Victuallers (SLV) and the Licensed Victuallers' National Homes (LVNH).

The SLV goes back to 1793 (that veteran newspaper, the *Morning Advertiser*, belongs to it) and the LVNH was a group that broke away nearly forty years later.

This is more or less what the Society of Licensed Victuallers has in mind, although Chris

regular meetings between the two to sort out problems, but the National Homes, whose national secretary is George Ives, did not take too kindly to the recent news that the older charity was planning to start up geriatric care centres. Until now the SLV has handed out cash help and run a hotel at Slough dating back 175 years.

"We are concerned because we don't see two groups in the same industry doing the same job," Ives says. The LVNH has a well equipped complex at Denham, Buckinghamshire, which offers hospital theatre facilities as well as a pub. It is also planning a series of what are known in the trade as caring hostels around the country, with a medically trained person in charge.

This is more or less what the Society of Licensed Victuallers has in mind, although Chris

says that detailed plans have yet to be drawn up. The society has plans for three care centres, compared with LVNH's scheme for about 40, starting within a year.

But Kimber says: "If there is a storm in a teacup, it is merely on a question of timing." He could understand the LVNH being upset if centres were to be set up in the same place.

The two charities will now be exchanging full details of their plans.

The reason behind the change of name of the Government Trade and Industry magazine to *British Business* seems a little more complicated than originally appeared.

The Department of Industry announced the change of name last week as being in keeping with the development of the magazine over the years.

Alan Williams, the managing editor, gave a different explanation when writing to subscribers in September. An industrial dispute at Her Majesty's Stationery Office was then affecting publication of *Trade and Industry*. "We have therefore advanced production of a sister magazine, *British Business*, which contains much of the information normally carried in *Trade and Industry*," he said.

Until the weekend, that is. For by then the Law Lords had overturned the Denning ruling and, loyal to the last, the GKN men came out again. Last night they were still out.

An advertisement in the Fleet Street branch of National Westminster Bank reads: "Cash in on a NatWest savings box and watch your money grow." Underneath, the cover price of 59p had been scratched out and replaced with "68p plus VAT".

The 3,000 Iron and Steel Trades Confederation members at the company's Cardiff works, South Wales' biggest steel plant, were all set to strike from the Sunday before last. That was until branch officials heard from the Court of Appeal decision outlawing industrial action in the private sector. The officials consequently advised their members to resume normal working. Only a couple of hours later, however, they were told that it was up to the union executive to issue any new instructions and that until then private steel men should stay on strike. Obediently the GKN men resumed their action.

But on Tuesday the executive issued its new instruction in accordance with the Denning ruling. Just as obediently, after a dignified Wednesday meeting in which the validity (temporary as it turns out) of the Court of Appeal ruling was split out, the GKN men decided to return to work.

Until the weekend, that is. For by then the Law Lords had overturned the Denning ruling and, loyal to the last, the GKN men came out again. Last night they were still out.

For more information write to The Secretary, Marley Limited, Sevenoaks, Kent.

Hugh Stephenson

Why Sir Jasper must be tough

For more than a decade Lord Shawcross has been the embodiment of self-regulation in the City in the area of takeovers and mergers. When he became chairman of the Takeover Panel in 1969, he inherited a jungle. In these eleven years he has turned it into something good deal more orderly.

He has done it by the force of his character and by the force of his prose. He will be a hard act for anyone to follow.

Yesterday the Bank of England was declining to confirm or deny that the Governor has decided to appoint Sir Jasper Holloway, as present deputy governor at the Bank, to be his successor. Members of the Panel, however, confirm that this is what they have been told.

The retirement of Lord Shawcross would mark the end of an era of self-regulation in the British securities industry. He has brought a creative, not to say aggressive, turn of mind and policy to the office. To judge from his public record, Sir Jasper's attitude to events is more questing. The question must be asked whether self-regulation as we know it will survive such an approach.

It has always seemed to me wrong to think of the issue of regulation in the securities market as a straight conflict between British-style self-regulation

and American-style statutory regulation, with a Securities and Exchange Commission and the rest. The fact is that in any system there are elements of statutory and elements of non-statutory regulation, just as there are elements of self-regulation and elements of outside regulation. The question at any moment is whether the existing balance is correct, or whether some change is required.

The non-statutory self-administered part of regulation in the securities market has manifest advantages. It is cheaper, quicker and more flexible. It is, however, always open to the objection that self-regulation is suspect because the whole thing is kept inside the "club". To preserve its advantages and to protect itself from damaging criticism, therefore, self-regulation cannot afford to be quietist. It has to show aggressively and publicly what it is doing, its allotted part of the job.

Lord Shawcross understood these points well. When he came to the job, the City as a whole hated the idea of tough self-regulation. Most did not then accept it, if they had not made up their minds to be a huge advance in the direction of statutory regulation, which they would like even less. Indeed, it was only the late Anthony Crosland's instinctive dislike of involving Whitehall in these areas, when he was President of the Board of Trade, that

stopped the political bandwagon in favour of a British SEC after the celebrated affairs of the late 1960s.

Today, the City thinks that the Panel has been a wonderful success. The change is a measure of Lord Shawcross's achievement.

His formula has had three main ingredients. The first is that the Panel's rules have been drawn up by and in consultation with practitioners in the market place. The Panel has, therefore, always maintained the respect of its clients in a way which clearly is not the case with the present attempts by the Council for the Securities Industry to impose a code on the banking industry.

Second, the Shawcross Panel has given steady and intelligent support to its executive. They must perform well with the bulk of the work. It has helped everyone to know that the policy-makers and those who do the work have been speaking with the same voice. And, thirdly, Lord Shawcross has found the trick of creative leadership, might in other circumstances almost have been designed to prefer inaction to action. In this respect, for example, the Stock Exchange has been ahead of, say, the Council of the Stock Exchange or the Committee of Lloyd's.

Lord Shawcross has, nevertheless, had his critics. To some the panel's proceedings have appeared to have a "inquisitorial" edge, the frontiers of statutory regulation will be further advanced in the 1980s.

people feel that tougher standards have sometimes been applied in that established City banks have on occasion been treated with greater respect or leniency than fringe institutions or persons.

Not least, there is a body of opinion, not confined to City law firms, which thinks that the arbitrary element of Panel case law has reached the point where it would be better to regulate matters in a more conventional way.

For all his undoubted influence, Lord Shawcross was not able to prevent the creation of the Council for the Securities Industry in its present form. It is becoming increasingly clear that the CSI's role in the overall system is not quite right. Rather like Mr Peter Walker's reform of local government, the CSI is the wrong sort of extra layer of self-regulation in the wrong place.

If the CSI is to have influence over the whole of the City and public companies in relationship to the Stock Exchange its shape is too narrow. If it is to be mainly interested just in the securities market, it seems to duplicate the work of the Takeover Panel and the Stock Exchange. It is, however, clear that the panel will be in office during the period when this relationship must evolve rapidly. He may be certain, however, that if the Panel loses its "inquisitorial" edge, the frontiers of statutory regulation will be further advanced in the 1980s.

Commercial radio has benefited from the ITV strike. David Hewson reports

Switching to a 'hot' medium

When Professor Marshall McLuhan, the American authority on the media, said that radio was a "hot" medium and television a "cool" one, he was describing radio's ability to stimulate the imagination and forge a link with the listener which is unique in terms of comparison.

By comparison, television, with its finite visual limitations, creates its own rigid boundaries to whatever message it is trying to put over.

Professor McLuhan's theory may go some way towards explaining why television, quite apart from the size of the audience it delivers, has always been regarded as a good advertising medium, while radio has been something of a poor relation.

In trying to "capture" an audience for a product, television leaves no room for interpretation—the message comes across clearly and unambiguously. With radio, the advertiser has less control over the way in which his message is received and interpreted.

Radio will never threaten television as the prime domestic advertising medium, but its status has nevertheless changed noticeably in Britain in recent months.

At the heart of the change is the technicians' strike which last year blacked out the independent television companies for 75 days and transformed commercial radio in many eyes from a Cinderella of broadcasting to a position in which it could be considered seriously as a selling medium.

Immediately the strike began, marketing departments with large television budgets were at a loss to know where to place their campaign. Mr Tony Logic, sales director for Associated Independent Radio Services (AIR), one of the three commercial radio national sales agencies, says: "People just panicked, thought in a nasty sense, 'They plugged a lot into radio, but did not have the pre-research work to find out how effective they were.'

Standard consumer research information, largely based on the existing areas of the television companies, is inadequate to calculate the efficiency of a campaign using a radio station which serves only a part of the research area.

But radio convinced some media buyers. A number of significant accounts have made a policy decision to divert funds intended for television to radio. The 23 stations which the commercial stations believe they won directly from the strike may have boosted their monthly takings by as much as 82 per cent last autumn, but it is in the long-term implications that the stations can find the most encouragement.

Agencies and producers who can meet its creative demands are thriving and there is a growing awareness of what it can achieve and how cheaply.

Mr Tony Hertz and Mr Peter Perrin started Radio Operators, one of the few agencies to deal exclusively in the medium, in 1973. "We're 300 per cent up on inquiries from potential customers on two years ago and probably 100 per cent up on finished jobs simply because we can't cope with every call we get," Mr Perrin says.

With the cost both of producing television commercials and of air-time soaring, the advantages of radio have become more apparent to media buyers, though it is not without its own inflationary factors.

The cost of a Radio Operators production varies greatly according to the customer's requirements. If the company were asked to come up with a complete concept, write the scripts and then produce, three commercials would cost about £2,500. Adding music would almost double that and a specially written signature tune could cost a further £2,500.

Most large radio advertisers use one of the three national sales agencies—AIR, Broadcast Marketing Services and Radio Sales and Marketing—to purchase commercial airtime on behalf of their stations. The cost of advertising to some 65 per cent of the population at present rates of £44,300 would buy 49 30-second spots on each station during day-time shows.

Paid advertising rates apply between 5 am and 10 am on weekdays and 5 am and noon at weekends, with rates falling progressively along with the size of the audience during the day.

By comparison, the £100,000 television commercial is not uncommon, with airtime costs, on top of that, much higher than last year and viewing figures still suffering the after-effects of last year's strike. Radio also scores with its high regional flexibility and local appeal.

A good example of appeal is the campaign which a Ford main dealers in London, Fry's of Lewisham, has been running for the last three years. Mr Bill Falcon, the managing director, was initially sceptical, "The sums concerned were fairly considerable as far as we were concerned," he says.

The company opted for a £12,000 campaign centred around a catchphrase, "Fry's of Lewisham, how can we help you?".



Recording a "jingle": advertisers are discovering the attractions of radio.

which it now uses on the telephone switchboard.

"It's impossible to quantify, but it gives us an enormous benefit in terms of business. The company was going through a depressing stage in its development, for various reasons at the time, but we did feel that morale in the place went up enormously."

"The real essence was that our name suddenly became a household one in dealer terms. We've even had people ring up and ask if they can buy the record of the ad, which is only five lines of music."

The success has made the company more conscious of its sales policy. It has increased its advertising budget to £60,000 for 1980, £38,000 of it going on radio.

"I know there are people spending millions on campaigns,

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FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Prices lower but firmer trend after hours

A spirited performance was made by most sections of the Stock Market yesterday, in spite of the problems on the economic and labour front.

Gilt's were the prime focus of attention ahead of today's bank lending figures while equities managed to mark time.

Even the bullion price remained fairly steady, following quiet activity on the New York market. In the end the bullion price closed \$10.5 off at \$667 an ounce.

Gilt's encountered some heavy selling as soon as dealings resumed yesterday morning when investors became concerned over the steel strike and the poor economic outlook. Most held a fairly bearish outlook for today's bank lending figures, and as a result falls of between £1 and £1.25 were soon being reported. However, trading after hours showed a firmer appearance with most closing off the bottom. This resulted in falls of between £1 and £1 in longs while at the shorter end losses were limited to around the £1 to £1.5 mark.

In spite of this equities held relatively firm awaiting the upturn in gilt's while at the same time discounting the recent turn for the worse in the steel strike.

Dealers reported very little selling as jobbers were content to mark prices lower. Some interest was generated among special situations and bids, but for the most part investors were prepared just to bide their time.

After steadily drifting throughout the day to fall to 3.8 at 2 pm the FT Index improved slightly after hours and closed only 2.1 off at 445.7.

Leading industrialists were no exception to the rule and quite content to keep a close eye on gilts as prices drifted be-

tween narrow levels. Overall the market bore a confident look and was ready to advance should there be the slightest sign of improvement elsewhere. In the events, ICI closed only 1p off at 375p as did Reed International at 200p while Bowater were firm at 175p. The threat of a drugs price war in the United States continued to hamper Glaxo 5p off at 465p.

British Home Stores is thought to be pleased with its January sales, which is more than can be said for some retailers. Analysts are still going for a 20 per cent rise in profits this year to May. Many competitors will be lucky to manage 10 per cent increase. Even so, BHS shares slipped 1p to 265p yesterday.

While Beecham remained un-concerned rising 1p to 118p. Fisons rose 5p to 282p in a thin market but Unilever slipped 4p to 450p.

The electrical sector again attracted the most interest among equities, where the big power struggle between the majors continued to focus attention. GEC finished unchanged at 350p following its

generous and expected cash offer for Decca which leapt 92p in the ordinary at 487p and 4p in the "A". However, fears that the counter-bid may be referred to the Monopolies Commission still lurk in the background.

Most observers still believe that Racal, down 4p to 220p, will continue to bid for Decca but remain uncommitted on just how meaningful the pledges made by former chairman, Sir Edward Lewis, will be in the light of the cash offer from GEC.

Elsewhere in electricals, shares of Ferranti began to bubble with excitement on rumours that they may well become the target of a bid. As a result the shares advanced 20p to 490p. Speculation on Tyco's intentions lifted the price of Murrhead early on but this soon fizzled out and the shares closed 2p easier at 203p. But the rising price of copper wire upset M.K. Electric which tumbled 4p to 178p.

Weekend press comment provided the market with some firm features as in the case of Carrington Capel 2p better at 80p. Amalgamated Power 3p firmer at 77p. Glynwold 1p stronger at 95p and Westland Aircraft up 4p to 741p.

Latest results

Company	Sales £m	Profits £m	Earnings per share	Div. pence	Pay. date	Year's total
Aerospace Prop. (I)	—	—	1.49 (1.13)	28.3	—	—
Beecham & Trust (I)	—	2.01 (0.95)	—	32.8	—	—
Ronland Gaunt (I)	—	0.007 (0.008)	—	—	—	—
Hillards (I)	56.51 (53.8)	1.33 (1.17)	10.59 (6.36)	125.1 (1.0)	21.3	(7.0)
Lourha (F)	1,565 (1,491)	84 (93.6)	18.65 (24.33)	4.68 (4.25)	3/4	10.46 (9.93)
Pentland Inv. (F)	—	1.94 (1.48d)	5.51 (4.61)	3.95 (3.05)	17/4	6.28 (4.55)
Town & City Props (I)	17.5 (17.5)	7.5c (7.6c)	—	—	—	—
C. I. C. Inv. (F)	—	17.78 (12.08)	82 (61.91)	42.68 (4.57)	2/4	80 (12.1)
Woolworths Elec. (I)	6,434 (5,89)	0.56 (0.46)	2.05 (1.99)	5.3	5/3	(12.4)
Dividends in this table are shown net of tax on pence per share. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. a=excludes special interim of 2.8p; b=gross income for both years; c=loss; d=figures are gross revenue; e=figures for both years are in SA Rand; f=SA cents.						

News that Dunbee-Combe-Marx is to sell all of its United States interests helped the shares rise 2p to 24p.

The four major clearing banks were on offer as the market entered the usual reporting season. Finsbury were sold in Barclays 8p to 420p. National Westminster 7p to 348p. Midland 5p to 37p and Lloyds 3p to 295p.

Oil shares held up quite well in spite of the recent round of price increases with BP unchanged at 358p and the new rising 2p to 150p, on par with the issue price, just two days before the cash call for the remainder is made.

Equity turnover on February 1, was £125.87m (15,286 bargains). Active stocks yesterday, according to the Exchange Telegraph, were, R.T.Z., Racal, CompAir, GEC, Premier Cons, Lasmo, Western Mining, P. & O. Shell, Consolidated Gold Fields, Boots and Lucas.

The Stock Exchange and the Takeover Panel have been told of the transactions and no objections have been raised.

The possibility, however, remains that Thornwood, at a later date, may consider using its holding for a reverse takeover. With its construction side, which now only plays a small part in the group's activities, is complementary to Thornwood's interests, which also include property and leasing.

Last year Wight made pretax profits of £453,000 on turnover of £11.4m compared with £555,000 profits, and £8.1m turnover in 1978.

Against the net redemption of £8.6m of loan capital in the month, there were £14.2m of ordinary share issues and £2.5m of preference share issues.

The principal issues made by United Kingdom companies were made in the property sector (£8.2m) and by companies in the public utilities, transport and communications sectors (£2.5m).

Last year net new issues totalled £738m, continuing a steady decline since 1975, when the figure was more than twice that size in nominal terms. The corporate sector's demand for external finance is expected to be appreciably higher this year than it has been since the liquidity crisis of 1974.

Fiat expects to end year level

Despite a poor performance in the automobile business, Fiat SPA, the holding company for the Italian multinationals group, probably remained in the black last year.

Although precise figures will not be released until the spring, company officials estimate that consolidated 1979 profits of the Fiat Group matched the current equivalent of the \$190m (£95m) earned in 1978, while sales rose 20 per cent to \$21,000m.

The sales gain came on good results in the European tractor market, an investment in Brazil where Fiat has invested heavily in automobile and steel production, and on sustained sales to third world countries of engineering services and heavy equipment.

"Car sales, however, which usually account for 45 per cent of the companies' volume, remained level at \$8,000m and auto operations dropped to a break-even point from a profit of \$50m in 1978.

Business appointments

Sir Bernard Scott to retire from Lucas board

Mr R. G. C. Messervy is to succeed Sir Bernard Scott as executive chairman of Lucas Industries from April 1, on Sir Bernard's retirement. Mr Messervy will retain his responsibilities as group managing director. The board intends to invite Sir Bernard to rejoin the company as a non-executive director.

Mr Steve Robinson has joined Pre TVT as managing director.

Mr Victor D. Smith has been appointed director of finance of Balfour Beatty.

Mr J. McLelland will become chairman and Mr A. M. Nicol, deputy chairman and managing director of Brownlee on the retirement of Mr P. A. Barnes-Graham as chairman at the end of February.

Mr R. J. Warren has been appointed to the board of Humphries Holdings in a non-executive capacity.

Mr J. R. Mikami, chairman of C. E. Heath & Co (Aviation), has been appointed managing director of the company, Mr J. A. E. Bassett, Mr R. P. Marsh and Mr S. C. Pritchard have been appointed company directors.

Mr Neil Magee has been appointed deputy managing director, and Mr Michael O'Callaghan and Mr Michael Allen have been appointed to the board of Eunigis (UK).

Mr B. H. Wilden has been elected chairman of Gill & Duffus. Mr Wilden, who replaces Mr R. J. Thorpe, who was recently appointed chairman of Gill & Duffus. Mr Thorpe remains on the board of Gill & Duffus.

Mr Lionel D. Cowan has become director and vice-chairman of The Federation of London Clearing Bank Employers.

Dr George Munday has been made research director of The Insurance Technical Bureau.

Mr G. W. Taylor, Mr D. W. C. Kitching and Mr J. A. Brooks, assistant chief general managers Midland Bank, have been appointed to the board of Eunigis.

Mr John K. McKinley is now chief operating officer of Texaco UK. He will succeed Mr Maurice F. Granville as chairman and chief executive, after Mr Granville's retirement on November 1.

Mr Donald Smith has been elected president of Leasco Europe, of Maidenhead, effective April 1.

Mr E. J. Rose is to retire from the board of Penguin Books on May 1, and will become non-executive chairman of the board of the parent company, The Penguin Publishing Company, working part-time.

Mr Thomas Young has been appointed area vice-president, Europe at Elizabeth Arden. He will continue as managing director of Elizabeth Arden Ltd, and will assume responsibilities for the areas of France, Belgium and the Netherlands.

International

sales. A decade ago Fiat held 74 per cent of the Italian market.

Central Norseman

Central Norseman, one of Australia's biggest gold mines, raised profits in the half-year to January 8, from A\$5.96m (£2.9m) to A\$10.5m after tax of A\$249,000. The company is paying a total dividend of 24.5 cents a share.

In 1978 Central Norseman produced 86,000 ounces of gold and 26,000 ounces of silver. As the full benefits of the recent

high precious metal prices feed through, Central Norseman is expected to make bigger profits in the second half.

'No comment' by OGEM

A spokesman for OGEM Holding NV, declined to comment on the resignation of OGEM's board chairman, Mr J. Udkin, from March 1.

OGEM shares were suspended on the Amsterdam Stock Exchange after the company stated on the resignation.

German Mobil

Mobil Oil AG, the West German subsidiary of Mobil Oil doubts that its 1980 net profits will reach those of 1979, as it is questionable whether market crude oil price increases will be fully absorbed.

Last year the group recorded a provisional net profit of about DM290m after making DM169.5m in 1978.

Takeover approach for Norrington

Shares in Henry Norrington and Son, the agricultural engineer, merchant and general ironmonger, were suspended yesterday following approached which may lead to a bid. At the suspension price of 161p the company is valued at £630,000.

In December Norrington reported profits for the year to September 30 up from £115,000 to £165,041 on turnover up from £14.3m to £16.3m. This came after a half-year fall from £90,000 to £75,000. In September Norrington sold the seed business of Parnell, Lang and Co, which contributed about 10 per cent of group profits, for £200,000 in a bid to reduce borrowings.

There was a feeling in the market that several companies could be queuing up to bid for Norrington, though Benjamin Priest or Masseys Ferguson were mentioned as the most likely.

Interest boost for Apex Properties

While Apex Properties' rents receivable were virtually unchanged at £501,000, against £493,000 in the half-year to September 30, interest receivable more than doubled, from £38,000 to £93,000. Pre-tax profits are 32 per cent greater at £355,000. With earnings per share up from 13.1p to 14.9p, the interim dividend, gross, is being raised from 4.0p to 4.0p.

Interest rates in the market are rising, particularly in the short term, and the company's cash flow is being affected.

Shiristar sells Hall Steamship holding

Shiristar Container Transport has disposed of its entire holding of 23,550 shares in Hall Brothers Steamship.

Shiristar said yesterday that the shares were bought through the jobbers by three different purchasers. It had instructed its brokers to sell the holding in one lot to avoid having a holding below 10 per cent which, in future, might have been compulsorily purchased.

Guinness Peat stake in biochemicals firm

International Enzymes, a subsidiary of Guinness Peat Group, has taken a 50 per cent interest in P.L. Biochemicals, a newly-formed company in Sankt Goar, West Germany.

The new company will act as a European distribution centre for biochemical reagents manufactured by P.L. Biochemicals, which owns the remaining 50 per cent interest.

International Enzymes has had a close association with P.L. Biochemicals over a number of years and represents the company in the United Kingdom.

Marley ready for new decade

A cheerful annual review is forthcoming from Mr A. A. Asher, the chairman of Marley, the building products group. Marley's board believes that the group is well prepared and organized to meet the challenge of the 1980s. "With the greater

Vital meetings for small businesses

By Bryan Appleyard

Two vital meetings about the future of a Government-backed loan guarantees scheme for small businesses have been arranged for next week. Meanwhile, this week the first proposals under a plan to draw more institutional funds into small businesses are due to go to the Post Office Pension Fund.

The first meeting is a week today when Mr David Mitchell, the Minister responsible for small businesses, and civil servants from the Department of Industry meet representatives of the Union of Independent Businesses.

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Dear Shareholder,

This is your Company's seventieth operational year, and I am confident that Lonrho will continue to grow around its long-established core of mining and agriculture.

We feel that gradual expansion in the United Kingdom and the Western hemisphere is in the best long-term interest of Shareholders. This programme is now well under way, and you will see the Company progressing further from 1980 onwards, while maintaining our investment plans in Africa.

Exceptionally, profits are down this year, although the balance sheet has never been healthier. Heavy reinvestment has contributed to this and we have had trading problems in West Africa for which we have had to make provision. The SUITS Monopolies Commission hearings were an expense and restraint throughout the year, but happily with a successful outcome.

In 1979 your Company bought the Dutton-Forshaw Group, Harrison and Sons, and 50 per cent. of the Princess Hotel Group. We also acquired the remainder of the shares of Scottish and Universal Investments, which brought in a major holding in House of Fraser. You will find all these reviewed below.

You have some spindly assets, and I hope you enjoy reading about their progress last year. If you are a new Shareholder, the 19 year graphs on pages 52 and 53 will be of interest. May I call your attention to pages 30 and 31 where the Board set out the Group's general accounting policies which have been formulated by our Chief Accountant with our Auditors.

The management and employees of the Lonrho Group—world-wide—number over a hundred and forty thousand people, of whom sixty thousand work in the United Kingdom.



Harrods, Knightsbridge, London SW1.

Mining and Refining

The mining companies had a particularly good year with profits up from £9.6 million to £31 million. The main contributors have been the platinum and the gold mines, with strongly increasing prices for these metals. In the past year we produced 358,000 ounces of gold, which realised an average price of US\$261 per ounce. At the time of this review prices are still well above this level.

Output of platinum group metals is up to 124,000 ounces, and production should be still higher this year. As with gold, our costs of production remain competitive and metal prices are currently well above last year's. Research into economic technology to exploit a second reef should be completed during the year; if successful, this would enable us to expand platinum group metal production quite significantly at a reasonable capital cost. Ore reserves are extensive.

Next in importance is coal, where output increased slightly to 2.58 million tonnes of bituminous coal and 500,000 tonnes of anthracite.

Copper mining, which is not large scale, produced a useful profit. The asbestos market was dull and sales decreased to 9,700 tonnes but profit was maintained.

Our exploration programme continues, with gold, coal and platinum as the principal targets. We hold several low-grade gold properties which are viable at a price of US\$250 to 300 an ounce. Obviously with prices well above this level they become profitable. Development of certain of these deposits is already in hand and we have also acquired options over a number of other properties, both dormant and producing. Gold output would increase substantially when these mines reach production.



Agriculture and Ranching

We grew and sold 330,000 tonnes of sugar and the price per tonne improved.

The new Dwangwa sugar project in Malawi started up in June, on schedule, and our participations in the Kenana scheme in the Sudan and the Savé estate in Benin continue.

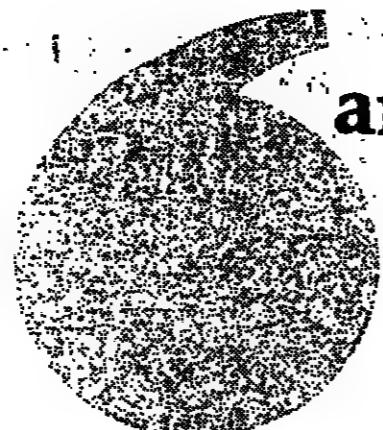
The Group's tea estates processed just under ten million pounds of tea this year, most of which was sold on the London market.

Your Company continues to be a major producer of wattle extract for leather tanning. Our other agricultural activities include oil seed processing, cereals, coffee, timber and tobacco, all of which did reasonably well.

The total herd of beef cattle is still 100,000 head, after sales of 20,000 head this year.

Lonrho will continue to grow around its long-established core of mining and agriculture

R.W. Rowland, Chief Executive



Property

Through our wholly-owned subsidiaries, London City & Westcliff and AVP Properties, we have commercial and industrial holdings in England and France, having a book value of £43 million.

Residential properties in England in the middle price range are gradually being sold.

Wines, Spirits and Beers

The major assets in this section are the six French vineyards—Château Smith-Haut-Lafitte, Château La Garde, Château Rausan-Ségla, Château du la Tour, Château de Lamouroux and Château Olivier—the wine shippers, Louis Eschenauer of Bordeaux, and the Scottish whisky distilleries, Whyte & Mackay, which come within SUITS. The vineyards have done well, as have Louis Eschenauer, where sales were up 29 per cent. Volume sales of Whyte & Mackay increased 20 per cent. to 1,151,478 gallons.

In the North of England the Ashe & Nephew retail chain had sales of £34 million, and opened forty-six new outlets, bringing the total to 280 off-licences and bottle stores.

The Group's twenty traditional beer breweries, which are operated in partnership with African Governments, continue to flourish. The beer is varied from country to country, to traditional recipes, but is generally low in alcohol content and high in protein.

We also have a Coca-Cola plant located in Zambia, which is one of the largest in Africa.



Whyte & Mackay
Whisky

Printing and Publishing

The intended move by Outrams, publishers of the 'Glasgow Herald' and 'Evening Times', to their new premises in Albion Street, Glasgow, will now take place in July 1980.

The 'Glasgow Herald' achieved increases in both circulation and advertising during the year, while Scottish & Universal Newspapers, the publishers of 33 weekly newspapers across Scotland, continued the re-equipment of their printing centres and opened two new plants during a successful year.

Holmes McDougall are now benefiting from their rationalisation programme of previous years. They continue as publishers, booksellers and printers, and experienced a healthy rise in magazine circulation to 2,497,000 a year.

With the introduction of the new 'Sunday Standard' in Kenya, we now have five newspapers operating in Africa. Printing and publishing had a relatively poor year overseas.

Since the year end, SUITS has bought Harrison and Sons, the specialist security printers. Apart from their normal business as printers, almost all the United Kingdom's postage stamps and those of a hundred foreign countries are produced on the advanced machinery of this famous firm.



Export Confirming and Broking

John Holt's export confirming with West Africa had to be severely reduced, as were the activities of Lonrho Exports, to weather a difficult year of economic changes in Western Africa. However, Balfour Williamson, our international confirming house, was able to achieve good profits and to expand.

The volume of cotton broking was maintained in a static market, where sharp currency movements made it necessary to adopt a cautious policy.

Pipeline

Our oil pipeline connecting Zimbabwe with the eastern coast of Africa comes into strong focus following the lifting of sanctions in Zimbabwe. The pipeline has been closed since December 1965 when sanctions first came into force. To build such a pipeline now would cost £75 million and its potential, once the Umtali refinery is recommissioned, is considerable.

Our action against the oil companies, who were associated in the project, is not affected by the immunity given when sanctions were lifted in December, and we are vigorously pursuing our claims.

SUITS and The Monopolies Commission

Our bid to acquire the remaining 70 per cent. of SUITS' shares was referred to the United Kingdom Monopolies and Mergers Commission in May 1978, on the grounds that SUITS, which is a major Scottish company, would be adversely affected by the amalgamation with Lonrho. After full and costly investigations lasting ten months, which included the detailed examination of our management and financial position, the Commission gave its complete approval to the merger.

Scottish shareholders in particular will be pleased to know that SUITS retains, and will keep, its direction and distinctive Scottish character and has already expanded to employ more than 10,000 people, with a turnover well in excess of £300 million.

With the acquisition of SUITS, the Group's total stake in the House of Fraser department store chain has risen to 29.99 per cent. There are no other major shareholders. Apart from Harrods, the 110-strong chain includes Barkers, D. H. Evans, Dickins & Jones, the Army & Navy Stores, Kendal Milne, Rackhams, Chiesmans and Dingles.

Conclusion

I know you will want to join all members of the Board in expressing your appreciation of the hard work and initiative of those who work for Lonrho in the United Kingdom and overseas. I want to mention the many people who work for the Company in Zimbabwe, and whose welfare is our serious concern. We would like to thank Shareholders for their confidence in us through the year. It was particularly kind of so many of you to mail your proxies in support of the Board at our last Annual General Meeting.

*Yours sincerely,
R.W. Rowland*

The seventy-first Annual General Meeting of Lonrho Limited will be held at the Great Room, Grosvenor House, Park Lane, London, W1, on Friday 14th March 1980, at 12 noon.



Volkswagen Polo and Audi

During the year our Wankel licence in Japan, Toyo Kogyo, has had considerable international success with the Mazda RX7; while promising research results have been achieved in the development of a diesel engine, for which patents and patent applications exist.

In the field of compressors and heat pumps the Wankel concepts have been applied with significant advantages over traditional designs and a leading manufacturer has announced definite interest in producing a range of automobile air conditioners utilising such principles.



Rolls-Royce and Bentley through Jack Barclay

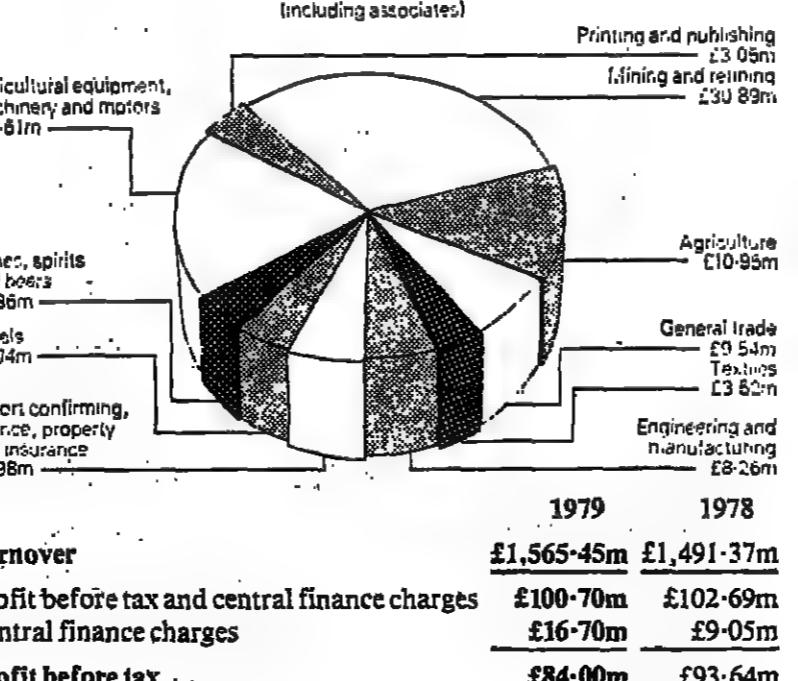
Tradewinds, the cargo airline operating Boeing 707's out of Gatwick Airport, has struggled through the year, held back by fuel prices and contracting demand for air freight services.

The Lonrho Group has small aircraft based across Africa to service projects. The Falcon Executive jet, which logged millions of miles, was replaced in 1974 with a longer-range

Balance Sheet at 30 September 1979

	1979 £m	1978 £m
Funds Employed		
Share capital	52.70	47.26
Reserves	325.78	283.16
Equity interest	378.48	330.42
Minority interests	82.16	83.55
Deferred tax	6.77	4.90
	467.41	418.87
Loans	137.05	73.93
	604.46	492.80
Assets Employed		
Fixed assets	385.84	358.18
Associates	125.87	94.65
Investments	23.60	27.20
Net current assets	69.15	12.77
	604.46	492.80
Net assets per share	180p	175p

Analysis of group profit for year to 30 September 1979 (including associates)



Aircraft and Cargo

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The Acapulco Princess, Mexico

There are two hotels in the Bahamas, and an elegant city hotel in San Francisco, the Sir Francis Drake. There is now active joint management and a firm understanding to agree plans for a very fine hotel site in Mexico City, as well as to combine in future projects. The cost to your Company was US\$80 million, plus the issue of five million Lonrho shares to Mr. Ludwig.



Mining for gold

We grew and sold 330,000 tonnes of sugar and the price per tonne improved.

The new Dwangwa sugar project in

Malawi started up in June, on

schedule, and our participations in the

Kenana scheme in the Sudan and the

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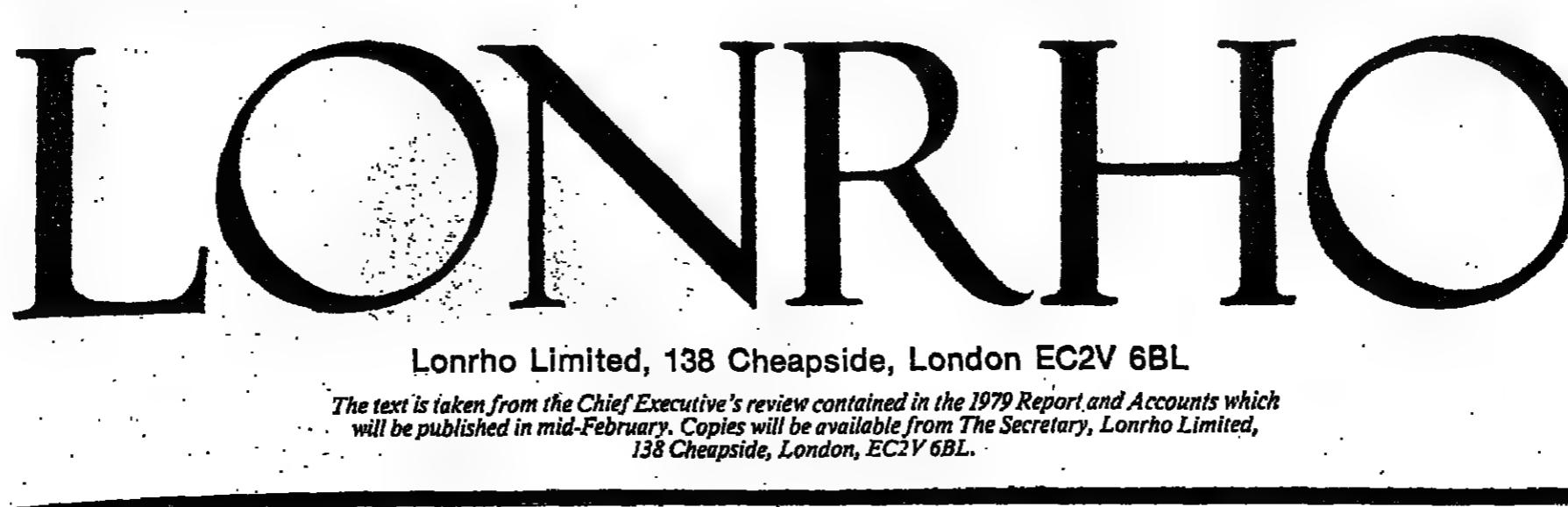
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of which did reasonably well.

The total herd of beef cattle is still

100,000 head, after sales of 20,000

head this year.



Lonrho Limited, 138 Cheapside, London EC2V 6BL

The text is taken from the Chief Executive's review contained in the 1979 Report and Accounts which will be published in mid-February. Copies will be available from the Secretary, Lonrho Limited, 138 Cheapside, London, EC2V 6BL.

FINANCIAL NEWS AND MARKET REPORTS

Price rises boost Inco's earnings by 80 pc

Higher metal prices and strong demand from stainless steel manufacturers enabled Inco, the Canadian nickel giant, to raise net earnings by 80 per cent in 1979 from \$7.8m to \$14.2m (£62.8m). Earnings per share went up from 77 cents to 158.

Most of the 1979 improvement came in the final quarter when net earnings were \$6.92m compared with \$1.01m for the same period of 1978. In the last three months of 1978 net earnings were so low that most of its net earnings were attributable to currency adjustments.

Sales for the whole of 1979 were up \$410m to \$2,990m, the lion's share being made by the nickel division, Inco Metals, whose sales rose from \$866m to \$1,054m. Three important influences on net earnings were the \$75.5m loss from the strike at the Sudbury, Ontario, refinery, currency translation gains of \$12.7m, and the transfer to profit of \$3.4m from United Kingdom deferred tax to which the company is no longer liable.

Average net realized prices for primary nickel products, including intermediate products, were \$2.43 a pound compared with \$1.98 a pound in 1978. Copper also showed a big rise, from 61 cents a pound to 91 cents. Last February Inco began once again publishing its prices after a period during which they had been kept secret to avert a price-cutting war. After opening in 1979 at \$2.05 a pound, nickel rose by five more stages to reach \$3.20 in December.

Inco's total nickel production last year was 255m pounds against 267m in 1978. At that level of production, the company still accounts for about 60 per cent of nickel production outside the centrally planned economies' inventories, a key to the health of the industry, fell by 14m pounds to 85m.

The quarterly dividend was increased by 5 cents to 15 cents. Last year Inco paid total dividends of 50 cents, 20 cents less than in 1978.

UK RESERVES

The following are the figures for the United Kingdom's official reserves issued by the Treasury.

End of period	£m	£m	Change in month £s
Jan 1979	23,708	10,456	987
Feb	23,800	10,556	1,000
March	23,800	10,556	0
April	23,800	10,556	0
May	23,800	10,556	0
June	23,800	10,556	0
July	23,800	10,556	0
Aug	23,800	10,556	0
Sept	23,800	10,556	0
Oct	23,800	10,556	0
Nov	23,800	10,556	0
Dec	23,800	10,556	0

Reserves revalued each end-March.

RETAIL SALES

The following are the seasonally adjusted figures for the volume of retail sales and value of new instalment credit released by the Department of Trade.

Sales by volume	New credit £m
1978	1971 = 100
Jan	110.5
Feb	113.8
March	109.4
April	110.3
May	110.8
June	115.4
July	113.5
Aug	120.2
Sept	108.6
Oct	111.4
Nov	111.3
Dec	112.4

Discount market

The Bank of England lent a small sum to one or two discount houses overnight at MLR yesterday, so the authorities' operations over the past few weeks have steadily whittled down shortages of one-time were of huge proportions.

Nevertheless, some houses were struggling at the flush pull in the last million or two needed to balance their books for the day.

Rates had been cut from 17.75 to 17.50 per cent in March, and 17.25 to 17.00 per cent in April.

Factors against the market included smaller amounts of bills bought through the week-end, small repayments of the MLR loans taken on Friday, and the resale of a large number of bills previously bought from the houses.

Underlying factors in continuing strength of the sugar market

Writing in their Sugar Review about the underlying factors in the continuing strength of the sugar market, British C. Coopers, sugar refiners, said that agricultural production in the Soviet Union suffered a severe setback in 1979 when the publication of official statistics.

So far as sugar beet is concerned, output was put at 756,000 tonnes, compared with 93.5m tonnes in 1978. "There is always a percentage of the roots grown in the Soviet Union which is diverted to uses other than the production of sugar and, bearing this in mind, and also average sugar content over the past several seasons, it seems hardly likely that the 1979-80 sugar crop can far exceed some 7.25m tonnes in terms of raws."

This very low level of production no doubt accounts for the substantial purchases made by the Soviet Union weeks ago. It remains to be seen whether the Soviet Union has considered further purchases for the season, but there can be no doubt that this latest confirmation that a major producer has had a much smaller crop than had been anticipated has further underlined the change which has occurred in the world statistical position for sugar and this is one of the underlying factors in the continuing strength of the commodity."

It has emerged that it will be at least two years before the world sugar industry feels the impact of the Coca-Cola Company's decision to switch to a blend of 50 per cent corn sweetener and 50 per cent natural sugar was certain to have a major impact on the rest of the soft drink industry.

A spokesman for A. E. Staley Manufacturing Co, major producer of high fructose corn syrup, confirmed that the industry is operating at near capacity with output this year expected to reach 1,800 million pounds.

Another twitch in the sugar market was caused on Thursday by rumours that Thailand would declare force majeure on sugar shipments due to its poor crop. But Reuter subsequently reported from Bangkok that such a step had not been taken, despite the fact that Thailand's sugar surplus would fill only half of its export quota allocation by the end of the current calendar year.

Commodities

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Commodities

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Equities mark time

ACCOUNT DAYS: Dealings Began, Jan 28. Dealings End, Feb 8. § Contango Day, Feb 11. Settlement Day, Feb 12.

§ Forward bargains are permitted on two previous days.

John Foord

plant and machinery valuers

plant and machinery valuers

1978/79 High Low Stock		Int. Gross Price Chg Yield High Low Company		Gross Div Yld % P/E		1978/79 High Low Company		Gross Div Yld % P/E		1978/79 High Low Company		Gross Div Yld % P/E		1978/79 High Low Company		Gross Div Yld % P/E		1978/79 High Low Company		
BRITISH FUNDS																				
904 343 Trees	1966 36	-	-	2,684 16,865	-	905 375 Cumis Elec Co	966 -	375 3.8	-	906 376 Laird Grs Ltd	95 -	4.00 3.7 3.5	-	907 377 Rovin Metals	94 -	18.5 1.5 1.5	-	908 378 Bspgntn	95 -	1.4 3.2 3.2
908 344 Trees	1967 36	-	-	2,649 14,864	-	909 379 Dale Elec	95 -	3.5 3.1 3.1	-	910 380 Rovin Grs	95 -	4.3 3.2 3.2	-	911 381 Barlow Mfg	95 -	1.2 2.2 2.2				
912 345 Trees	1968 36	-	-	2,610 14,863	-	913 382 Lantech Wtch	95 -	3.5 3.1 3.1	-	914 383 Rovin Ind	95 -	3.0 3.2 3.2	-	915 384 Heath C. E.	95 -	1.4 3.2 3.2				
916 346 Trees	1969 36	-	-	2,571 14,862	-	917 385 Davis & New	95 -	3.2 3.1 3.1	-	918 385 Laforce Ind	95 -	3.2 3.1 3.1	-	919 386 Heath Redmns	95 -	1.2 2.2 2.2				
920 347 Trees	1970 36	-	-	2,532 14,861	-	921 387 Davis G.	95 -	3.0 3.1 3.1	-	922 387 Rugby Commt	95 -	3.2 3.1 3.1	-	923 388 Norwest A.	95 -	1.2 2.2 2.2				
924 348 Trees	1971 36	-	-	2,493 14,860	-	925 388 Davis Corp	95 -	3.0 3.1 3.1	-	926 388 S.A. Corp	95 -	3.2 3.1 3.1	-	927 389 Northgate	95 -	1.2 2.2 2.2				
930 349 Trees	1972 36	-	-	2,454 14,859	-	931 389 Davis Ind Prod	95 -	3.2 3.1 3.1	-	932 390 Redman H.	95 -	3.2 3.1 3.1	-	933 390 North Redmns	95 -	1.2 2.2 2.2				
934 350 Trees	1973 36	-	-	2,415 14,858	-	935 391 Davis Ind Prod	95 -	3.2 3.1 3.1	-	936 391 Redman Ind	95 -	3.2 3.1 3.1	-	937 392 Norwest B.	95 -	1.2 2.2 2.2				
938 351 Trees	1974 36	-	-	2,376 14,857	-	939 392 Davis Ind Prod	95 -	3.2 3.1 3.1	-	940 392 Redman Ind	95 -	3.2 3.1 3.1	-	941 393 North Redmns	95 -	1.2 2.2 2.2				
942 352 Trees	1975 36	-	-	2,337 14,856	-	943 393 Davis Ind Prod	95 -	3.2 3.1 3.1	-	944 393 Redman Ind	95 -	3.2 3.1 3.1	-	945 394 North Redmns	95 -	1.2 2.2 2.2				
946 353 Trees	1976 36	-	-	2,298 14,855	-	947 394 Davis Ind Prod	95 -	3.2 3.1 3.1	-	948 394 Redman Ind	95 -	3.2 3.1 3.1	-	949 395 North Redmns	95 -	1.2 2.2 2.2				
950 354 Trees	1977 36	-	-	2,259 14,854	-	951 395 Davis Ind Prod	95 -	3.2 3.1 3.1	-	952 395 Redman Ind	95 -	3.2 3.1 3.1	-	953 396 North Redmns	95 -	1.2 2.2 2.2				
954 355 Trees	1978 36	-	-	2,220 14,853	-	955 396 Davis Ind Prod	95 -	3.2 3.1 3.1	-	956 396 Redman Ind	95 -	3.2 3.1 3.1	-	957 397 North Redmns	95 -	1.2 2.2 2.2				
960 356 Trees	1979 36	-	-	2,181 14,852	-	961 397 Davis Ind Prod	95 -	3.2 3.1 3.1	-	962 397 Redman Ind	95 -	3.2 3.1 3.1	-	963 398 North Redmns	95 -	1.2 2.2 2.2				
964 357 Trees	1980 36	-	-	2,142 14,851	-	965 398 Davis Ind Prod	95 -	3.2 3.1 3.1	-	966 398 Redman Ind	95 -	3.2 3.1 3.1	-	967 399 North Redmns	95 -	1.2 2.2 2.2				
970 358 Trees	1981 36	-	-	2,103 14,850	-	971 399 Davis Ind Prod	95 -	3.2 3.1 3.1	-	972 399 Redman Ind	95 -	3.2 3.1 3.1	-	973 400 North Redmns	95 -	1.2 2.2 2.2				
974 359 Trees	1982 36	-	-	2,064 14,849	-	975 400 Davis Ind Prod	95 -	3.2 3.1 3.1	-	976 400 Redman Ind	95 -	3.2 3.1 3.1	-	977 401 North Redmns	95 -	1.2 2.2 2.2				
980 360 Trees	1983 36	-	-	2,025 14,848	-	981 401 Davis Ind Prod	95 -	3.2 3.1 3.1	-	982 401 Redman Ind	95 -	3.2 3.1 3.1	-	983 402 North Redmns	95 -	1.2 2.2 2.2				
984 361 Trees	1984 36	-	-	1,986 14,847	-	985 402 Davis Ind Prod	95 -	3.2 3.1 3.1	-	986 402 Redman Ind	95 -	3.2 3.1 3.1	-	987 403 North Redmns	95 -	1.2 2.2 2.2				
990 362 Trees	1985 36	-	-	1,947 14,846	-	991 403 Davis Ind Prod	95 -	3.2 3.1 3.1	-	992 403 Redman Ind	95 -	3.2 3.1 3.1	-	993 404 North Redmns	95 -	1.2 2.2 2.2				
994 363 Trees	1986 36	-	-	1,908 14,845	-	995 404 Davis Ind Prod	95 -	3.2 3.1 3.1	-	996 404 Redman Ind	95 -	3.2 3.1 3.1	-	997 405 North Redmns	95 -	1.2 2.2 2.2				
998 364 Trees	1987 36	-	-	1,869 14,844	-	999 405 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1000 405 Redman Ind	95 -	3.2 3.1 3.1	-	1001 406 North Redmns	95 -	1.2 2.2 2.2				
1004 365 Trees	1988 36	-	-	1,830 14,843	-	1005 406 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1006 406 Redman Ind	95 -	3.2 3.1 3.1	-	1007 407 North Redmns	95 -	1.2 2.2 2.2				
1010 366 Trees	1989 36	-	-	1,791 14,842	-	1011 407 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1012 407 Redman Ind	95 -	3.2 3.1 3.1	-	1013 408 North Redmns	95 -	1.2 2.2 2.2				
1014 367 Trees	1990 36	-	-	1,752 14,841	-	1015 408 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1016 408 Redman Ind	95 -	3.2 3.1 3.1	-	1017 409 North Redmns	95 -	1.2 2.2 2.2				
1020 368 Trees	1991 36	-	-	1,713 14,840	-	1021 409 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1022 409 Redman Ind	95 -	3.2 3.1 3.1	-	1023 410 North Redmns	95 -	1.2 2.2 2.2				
1024 369 Trees	1992 36	-	-	1,674 14,839	-	1025 410 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1026 410 Redman Ind	95 -	3.2 3.1 3.1	-	1027 411 North Redmns	95 -	1.2 2.2 2.2				
1030 370 Trees	1993 36	-	-	1,635 14,838	-	1031 411 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1032 411 Redman Ind	95 -	3.2 3.1 3.1	-	1033 412 North Redmns	95 -	1.2 2.2 2.2				
1034 371 Trees	1994 36	-	-	1,596 14,837	-	1035 412 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1036 412 Redman Ind	95 -	3.2 3.1 3.1	-	1037 413 North Redmns	95 -	1.2 2.2 2.2				
1040 372 Trees	1995 36	-	-	1,557 14,836	-	1041 413 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1042 413 Redman Ind	95 -	3.2 3.1 3.1	-	1043 414 North Redmns	95 -	1.2 2.2 2.2				
1044 373 Trees	1996 36	-	-	1,518 14,835	-	1045 414 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1046 414 Redman Ind	95 -	3.2 3.1 3.1	-	1047 415 North Redmns	95 -	1.2 2.2 2.2				
1050 374 Trees	1997 36	-	-	1,479 14,834	-	1051 415 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1052 415 Redman Ind	95 -	3.2 3.1 3.1	-	1053 416 North Redmns	95 -	1.2 2.2 2.2				
1054 375 Trees	1998 36	-	-	1,440 14,833	-	1055 416 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1056 416 Redman Ind	95 -	3.2 3.1 3.1	-	1057 417 North Redmns	95 -	1.2 2.2 2.2				
1060 376 Trees	1999 36	-	-	1,401 14,832	-	1061 417 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1062 417 Redman Ind	95 -	3.2 3.1 3.1	-	1063 418 North Redmns	95 -	1.2 2.2 2.2				
1064 377 Trees	2000 36	-	-	1,362 14,831	-	1065 418 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1066 418 Redman Ind	95 -	3.2 3.1 3.1	-	1067 419 North Redmns	95 -	1.2 2.2 2.2				
1070 378 Trees	2001 36	-	-	1,323 14,830	-	1071 419 Davis Ind Prod	95 -	3.2 3.1 3.1	-	1072 419 Redman Ind	95 -	3.2 3.1 3.1	-	1073 420 North Redmns	95 -	1.2 2.2 2.2				
1074 379 Trees																				



Salerooms and Antiques

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34-35 New Bond Street, London W1A 2AA

Telephone: (01) 493 8080

Wednesday 6th February at 11 am

TOPOGRAPHICAL PAINTINGS, WATERCOLOURS, DRAWINGS, PRINTS AND BRONZES Cat. (99 illus.) £4.50

Thursday 7th February at 10.30 am

The Royal Watercolour Society Galleries, 26 Conduit Street, London W1

MUSICAL INSTRUMENTS

Cat. (13 illus.) £1.15

Thursday 7th February at 11 am and 2.30 pm

OLD MASTER AND MODERN PRINTS Cat. (75 illus.) £4.50

Tuesday 12th February at 10.30 am

CHINESE WORKS OF ART AND QING CERAMICS Cat. (73 illus.) £5.50

The Bond Street Galleries will close

at 3 pm on 11th February

Sotheby's Belgravia

19 Motcomb Street, London SW1X 8LB

Telephone: (01) 235 4311

Tuesday 7th February at 11 am

VICTORIAN PAINTINGS, DRAWINGS AND WATERCOLOURS

Cat. (79 illus.) £1.25

Thursday 7th February at 10.30 am and 2.30 pm

ENGLISH AND FOREIGN SILVER AND PLATED WARES INCLUDING SMALL WORK AND OBJECTS OF VERTU FROM 1835

Cat. (85 illus.) £0.70

Friday 8th February at 11 am

CHINESE CERAMICS AND ACCESSORIES, JUKE BOXES AND MECHANICAL MUSIC

Cat. (60 illus.) 80p

115 Chancery Lane

(Hodgson's Rooms), London WC2A 1PK

Telephone: (01) 405 7238

Tuesday 7th February and following day at 1 pm

PRINTED BOOKS INCLUDING BOOKS IN RUSSIAN AND RUSSIA AND EPHEMERA

Cat. (7 illus.) £1.45

Catalogues may be purchased at our salerooms or by post from 2 Merton Road, London SW6 1RG. Telephone: (01) 581 3173.

Other salerooms and offices: Bournemouth (0202) 294425/6; Cambridge (0223) 67624/5; Cheltenham (0223) 510500; Chester (0244) 458333;

Dublin (0001) 789368; Edinburgh (031) 226 7201; Harrogate (0423) 510466



Sotheby King and Chasemore

Station Road, Pulborough, West Sussex RH20 1AJ

Telephone: (07982) 2081

Tuesday 6th February at 10.30 am

OAK AND WALNUT FURNITURE, METALWORK

Wednesday 6th February at 10.30 am and 2.30 pm

ENGLISH CERAMICS; ORIENTAL CERAMICS AND EASTERN WORKS OF ART

Illus. Cat. £1.20

Tuesday 12th February at 10.30 am and 2.30 pm

LOCUST STICKS AND MUSICAL INSTRUMENTS; TOYS, DOLLS AND COLLECTORS' ITEMS

Wednesday 12th February at 10.30 am

SELECTED PAINTINGS AND MINIATURES

Illus. Cat. £1.20

Sotheby Bearne

Rainbow, Torquay, Devon TQ2 5TG

Telephone: (0603) 26277

Wednesday 6th February at 2 pm

VICTORIAN AND MODERN JEWELLERY Cat. £x

Tuesday 12th February at 10 am

CERAMICS Cat. £x

Tuesday 12th February at 2.15 pm

12TH AND 19TH CENTURY FURNITURE Cat. £x

Sotheby Mak van Waay B.V.

102 Rokin, 1012 Amsterdam

Telephone: (020) 24 6215/6

Tuesday 12th February and following eight days

at 10.30 am and 2 pm

PAINTINGS, CHINESE, JAPANESE AND EUROPEAN PORCELAIN AND POTTERY, CLOCKS AND FURNITURE Illus. Cat. £x

Sotheby Parke-Bernet A.G.

20 Bleicherweg, CH-8023, Zurich

Telephone: (01) 202001

at the Kulm Hotel, St. Moritz

Thursday 12th February at 4 pm and following two

days at 4 pm and 7 pm

FINE JEWELS Illus. Cat. £x

Sotheby Parke-Bernet G.

19 Montpelier Square, London NW1 1PL

Telephone: (01) 404 777

At the Montpelier Galleries

On view 2 days prior Tuesday evening view until 7 pm.

Tuesday, 5th February at 11 am

SILVER, SILVER DRINKS, incl. works by T. B. Hardy, J. D. Linton, J. Hay, D. Scott, Sir J. J. Stuart, S. J. Batchelder, J. B. Smith, Cat. £50.

Thursday, 7th February at 11 am

FURNITURE GLASS AND CERAMICS, SILVER, COLLECTORS' ITEMS AND WORKS OF ART Illus. Cat. £x. 50

Friday, 8th February at 11 am

CHINESE CERAMICS AND ACCESSORIES, JUKE BOXES AND MECHANICAL MUSIC

Cat. (60 illus.) 80p

At the Chelsea Galleries, Tuesday 5th February at 10 am. FURNITURE & CARPETS. Cat. 30p. View Monday, 9-7; Tuesday, 6-8pm.



New Chebe Galleries, 67-69 Leek Road, London SW10 8RN Tel. 01-71-7471400.

Representatives in Scotland, N. Ireland,

S.W. England, E. Anglia, W. England & Wales.

Thursday, 7th February, 11 am and 2.30 pm
A FINE COLLECTION OF ORIENTAL CARPETS & RUGS incl. a pr. of Indian rug, Kashan part silk carpet, Kirman pictorial rug.

GOOD ENGLISH & CONTINENTAL FURNITURE incl. a Louis XV style bureau Mazarin; a Hispano-Flemish tortoise shell cabinet c. 1850; French provincial dresser; pr. of Louis XVI style chenets; armoir side cabinets, a set of 10 Regency dining chairs. Illus. cat. £1.20. Also view 10 am Feb. 10-11 am.

JEWELS & OBJECTS OF VERTU incl. a fine & attractive diamond & enamel hinged clock by Cartier; single stone diamond & gold diamond bracelet by Tiffany & Co.; rubies & diamond cluster ring; pearl & diamond dress ring; Illus. cat. £1.20.

PARCELLED WORKS OF ART, Cat. 30p.

At the Montpelier Galleries

On view 2 days prior Tuesday evening view until 7 pm.

Tuesday, 5th February at 11 am

SILVER, SILVER DRINKS, incl. works by T. B. Hardy, J. D. Linton, J. Hay, D. Scott, Sir J. J. Stuart, S. J. Batchelder, J. B. Smith, Cat. £50.

Thursday, 7th February at 11 am

FURNITURE GLASS AND CERAMICS, SILVER, COLLECTORS' ITEMS AND WORKS OF ART Illus. Cat. £x. 50

Friday, 8th February at 11 am

CHINESE CERAMICS AND ACCESSORIES, JUKE BOXES AND MECHANICAL MUSIC

Cat. (60 illus.) 80p

At the Chelsea Galleries, Tuesday 5th February at 10 am. FURNITURE & CARPETS. Cat. 30p. View Monday, 9-7; Tuesday, 6-8pm.



ESTATE OFFICES

AUCTION SALES THIS WEEK

Wednesday 6th at 10 am

ORIENTAL & OTHER CARPETS AND RUGS

Wednesday 6th at 10.45 a.m.

ANTIQUE & MODERN FURNITURE

Thursday 7th at 10 a.m.

OBJETS D'ART including part I of the well known collection of COPPER AND BRASS from THE TEMPLE BAR "Watwich"

Thursday 7th at 2 p.m.

COSTUMES & TEXTILES

View today 9 a.m. to 4.30 p.m.

ARUNDEL TERRACE

S.W.13

By Hammermill Bridge

Tel. 01-748 2737

Annuity plan

Future specialised sales:

Further enq's can be made

February 11th at 10 a.m.

PUPPETS & MARIONETTES

(The Alice Theatre)

TOYS & MODELS

March 6th at 3 p.m.

PAINTINGS,

WATERCOLOURS & PRINTS

Thursday 7th at 2 p.m.

COSTUMES & TEXTILES

View today 9 a.m. to 4.30 p.m.

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Future specialised sales:

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